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LETTER DATED 10 MARCH 2000 FROM THE CHAIRMAN OF THE SECURITY COUNCIL COMMITTEE ESTABLISHED PURSUANT TO RESOLUTION 864 (1993) CONCERNING THE SITUATION IN ANGOLA ADDRESSED TO THE PRESIDENT OF THE SECURITY COUNCIL

I have the honour to transmit herewith the final report of the Panel of Experts established by the Security Council pursuant to resolution 1237 (1999) of 7 May 1999.

I would be grateful if this report were circulated to members of the Security Council for their information and issued as a document of the Security Council.

(Signed) Robert R. FOWLER
Chairman
Security Council Committee established
pursuant to resolution 864 (1993)
concerning the situation in Angola

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Annex I

Letter dated 28 February 2000 from the Chairman of the Panel of Experts established by the Security Council pursuant to resolution 1237 (1999) addressed to the Chairman of the Security Council Committee established pursuant to resolution 864 (1993) concerning the situation in Angola

I have pleasure in submitting the report of the Panel of Experts established by the Security Council pursuant to resolution 1237 (1999) (see enclosure).

(Signed) Anders MOLLANDER
Ambassador
Chairman, Expert Panel

Enclosure

REPORT OF THE PANEL OF EXPERTS ON VIOLATIONS OF SECURITY COUNCIL SANCTIONS AGAINST UNITA

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INTRODUCTION

1. *Background and mandate of the Panel.* The present report is submitted in accordance with Security Council resolution 1237 (7 May 1999), which established an independent Panel of Experts to investigate violations of Security Council sanctions against the Uniao Nacional Para a Independencia Total de Angola (UNITA), which operates under the leadership of Mr. Jonas Savimbi. The sanctions at issue prohibit the sale or delivery of arms and military equipment to UNITA; prohibit the provision of petroleum products to UNITA; prohibit the purchase of diamonds mined in areas controlled by UNITA; require the seizing of bank accounts and other financial assets of UNITA; and mandate the closing of UNITA representation offices abroad as well as restrictions on the travel of senior UNITA officials and adult members of their immediate families.

2. The Panel was required to report back to the Security Council within six months of its formation. The Panel was asked to inform the Council on how the sanctions against UNITA were being violated, who was violating them, and what could be done to make the sanctions more effective. The Council has repeatedly emphasised that the purpose of the sanctions was not to punish UNITA but rather to promote a political settlement to the long conflict in Angola by requiring UNITA to comply with the obligations which it undertook when it signed the 1991 Bicesse Peace Accord ("Acordos de Paz") and the 1994 Lusaka Protocol, and by limiting UNITA's ability to pursue its objectives by military means.

3. It should be recalled that the first sanctions against UNITA – those relating to arms, military equipment and fuel – were introduced in 1993, after UNITA refused to accept the results of the September 1992 election in which President dos Santos won 49.6 percent of the vote to Savimbi's 40.7 percent, and the Movimento Popular de Libertação de Angola (MPLA) won 54 per cent of the vote in this legislature to 34 per cent for UNITA. Following its defeat in the elections, UNITA restarted the war. In order to compel UNITA to agree to a cease-fire and accept the election results, sanctions against UNITA were first threatened and then imposed. Following the signing of the Lusaka Protocol on 20 November 1994, an imperfect and uneasy peace ensued during which exhaustive efforts were made to implement the provisions agreed at Lusaka.

4. UNITA's persistent failure to comply with its obligations under the Lusaka Protocol prompted the Security Council to threaten and then impose additional sanctions. These additional sanctions, imposed in 1997, included the freezing of UNITA bank accounts, prohibiting foreign travel by senior UNITA officials, and closing UNITA offices abroad. After a brief improvement in the situation that

included agreement on a new timetable for implementation of the Lusaka Protocol, sanctions were again threatened by the Council when UNITA repeatedly failed to implement these new undertakings. In June 1998, the Council imposed sanctions prohibiting the purchase of diamonds from UNITA or from UNITA controlled areas.

5. Despite the imposition of these various sanctions by the Security Council, it has been clear to all concerned that the sanctions were not working effectively. UNITA was still able to procure what it needed for its war machine, and sell its diamonds. UNITA officials still travelled with little restriction, and UNITA continued to be active in international capitals through "unofficial" offices and representatives.

6. *New initiatives by the Sanctions Committee.* In January 1999, under the leadership of Ambassador Robert Fowler of Canada, the Security Council Sanctions Committee that deals with Angola began a series of new initiatives designed to improve the effectiveness of the sanctions that the Council had imposed on UNITA. The aims were to try to restrict UNITA's capacity to pursue a military option in Angola, and at the same time to encourage UNITA to comply with its obligations under the Lusaka Protocol. In June and July 1999, following an extensive series of visits to Africa and Europe designed to raise awareness and tighten compliance with the sanctions, Ambassador Fowler presented the Security Council with 19 recommendations on what could be done to enhance the effectiveness of the sanctions regime against UNITA (S/1999/644 and S/1999/829).

7. *Establishment of the Panel of Experts.* The Security Council in February 1999 supported the Secretary-General's recommendation that there should be studies "to trace violations in arms trafficking, oil supplies and the diamond trade, as well as the movement of UNITA funds". In resolution 1237 (7 May 1999), the Council established a Panel to undertake this task. Subsequently, ten members of the Panel were appointed by the Council, under the Chairmanship of Ambassador Anders Möllander (Sweden). The Council appointed Col. Otisitswe B. Tiroyamodimo (Botswana) to be the Vice-Chairman and Mr. Stanlake M. Samkange (Zimbabwe) to be the Rapporteur. The other members of the Panel are Mr. Gilbert Barthe (Switzerland); Mr. Jinping Cheng (China); Mr. Melvin Holt (United States); Mr. Oleg Ivanov (Russian Federation); Mr. Bennie Lombard (South Africa); Mr. Hannes George McKay (Namibia); and Mr. Olivier Vallée (France). The Panel convened for the first time on 26-27 August 1999 in New York.

8. *How the Panel carried out its task.* Because of the interconnectedness of the areas to be examined, the Panel at its first meeting decided to amalgamate its two components (one dealing with arms and related materiel, and the other with diamonds, finances, petroleum, travel and representation) and to function as a

single Panel. This decision enabled all Panel members to contribute their expertise to each area, and greatly enhanced the ability of the Panel to see the linkages between the various areas of the Panel's mandate. Following the development of a work plan, Panel members travelled to countries in Europe and Africa (as well as the United States and Israel) to seek information on alleged violations, check or verify information that was received, investigate leads and linkages, and generally raise awareness about the sanctions and the Panel's work. In all, Panel members visited nearly 30 countries, meeting with Government officials, members of the diplomatic community, non-governmental organisations, police and intelligence sources, industry associations and commercial companies, journalists and others. Panel members travelled in varying configurations, depending upon the country to be visited and the particular focus of that visit.

9. *Interviews with UNITA defectors.* Particular mention should also be made of the visit to Angola in January 2000 by Ambassador Fowler, together with the Vice-Chairman and Rapporteur of the Panel. During this visit videotaped interviews were conducted with a number of key recent defectors from UNITA, including General Jacinto Bandua[1], Col. Alcides Lucas Kangunga (known as "Kallias")[2], Lt. Col. Jose Antonio Gil[3], Col. Aristides Kangunga (brother to Kallias)[4], and Mr. Araujo Sakaita[5]. The team also had an opportunity to travel to Andulo, where they examined stocks of equipment captured during and after the battle for Andulo, and spoke with a number of soldiers who had defected from UNITA following the battle.

10. All of the interviews conducted by the team with the key defectors were conducted at Villa Espa, which served as the Headquarters for the United Nations Mission in Angola (MONUA). No Angolan Government personnel were present during these interviews, and the Government of Angola has not asked for or been provided with a copy or transcript of those interviews. With the exception of General Bandua and Mr. Sakaita, none of the persons interviewed had been identified to the Angolan Government in advance of the visit. Several of the people whom the team asked to see were requested as a result of information gathered in other interviews, and these persons were made available to the team at very short notice. The team was

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[1] General Bandua was, between January 1996 and December 1998, the senior person in the UNITA Administration based in Andulo responsible for the procurement of arms, military equipment, petroleum and other commodities of strategic importance to UNITA.

[2] Col. Kallias was UNITA's representative in Togo from 1993 to 1995, UNITA's deputy representative and head of intelligence in Zaire from 1996 to mid 1997, and a senior officer in UNITA's foreign intelligence service based in Andulo from 1997 until his defection following the capture of Andulo by Government forces in October 1999.

[3] Lt. Col. Gil was the officer responsible for the control tower at UNITA's headquarters in Andulo from the beginning of 1997 until the fall of Andulo in October 1999. His duties included providing notification to UNITA personnel whenever Government aircraft took off anywhere within Angola, and ensuring that aircraft friendly to UNITA were identified and allowed to land safely at the airport in Andulo.

[4] Col. Kangunga was in charge of telecommunications personnel and equipment for the President of UNITA, Jonas Savimbi, and in this capacity placed calls for Savimbi to foreign leaders and UNITA's representatives abroad using UNITA's satellite communications equipment.

[5] Mr. Sakaita is a son of Jonas Savimbi. He broke with UNITA and returned to Angola from Lomé in October 1999.

informed that none of the defectors were under arrest or detention, and indeed all of the military defectors stated that they had been accepted into the Armed Forces of Angola at their UNITA rank. All confirmed that they were speaking freely.

11. *Evidentiary standards.* The team that visited Luanda in January received a large amount of detailed and valuable information, including documents. With the details provided by defectors and others, the Panel was able to confirm and corroborate information that Panel members had independently uncovered or received from other sources. In all of its work, the Panel has been especially careful to use only information that has been confirmed or corroborated by more than one source in which the Panel has confidence. This standard has been applied to all information collected by the Panel, including information gathered from UNITA defectors.

12. As a result of the Panel's unwillingness to use information that is not confirmed or corroborated by other sources, the information contained in the report and the persons named are necessarily far more limited than would be the case if a looser standard were applied. In the case of those political leaders that are mentioned, the Panel has required direct evidence, that is confirmed and corroborated by at least two other sources deemed by the Panel to be credible. In view of the implications of the report, the Panel feels that any lesser standard would not be appropriate. For other non-UNITA persons mentioned in the report, the Panel has required a comparable level of proof for their involvement, and tried to focus primarily on the main actors in each category, rather than on trying to present an exhaustive list of every person thought to be connected with UNITA sanctions busting. Inevitably, a number of actors including important ones will have escaped direct mention. However, if the Council decides to establish some form of monitoring or follow up mechanism as recommended by the Panel – information in the Panel's possession will be made available to those concerned so that further investigations could be conducted in order to confirm or corroborate the information presented. Investigations on persons allegedly connected to UNITA are underway in a number of Member States, and the results of these investigations may also provide further support for follow up efforts.

I. SANCTIONS BUSTING ON ARMS AND MILITARY EQUIPMENT

13. Security Council resolutions prohibit "all sale or supply to UNITA of arms and related materiel and military assistance" including "weapons and ammunition, military vehicles and equipment and spare parts". Member States of the United Nations are required to prevent their nationals, flag vessels and aircraft from engaging in such activities (resolution 864 of 15 September 1993, and subsequent resolutions). Also prohibited is the provision to UNITA of "motorised vehicles or watercraft or spare parts for such vehicles, or ground or waterborne transportation services" (resolution 1173 of 12 June 1998).

A. FINDINGS RELATING TO ARMS AND MILITARY EQUIPMENT

14. The Panel investigated the means and methods by which UNITA was able to acquire arms in violation of Security Council sanctions. The Panel sought to find out how arms and military equipment were procured and from where; how this equipment reached UNITA and how it was paid for; which governments, individuals and/or companies helped facilitate the acquisition of arms and military equipment by UNITA; and the nature of any military cooperation between UNITA and other political entities, including governments.

1. ***How UNITA procured arms and military equipment***

15. *The use of arms brokers.* Through its investigation of UNITA's arms procurement operation the Panel learned that arms procurement by UNITA was not by means of direct contact between UNITA and arms producing countries. The Panel learned that UNITA placed orders with arms brokers who then undertook to procure the required items. A small number of favoured brokers accounted for the bulk of UNITA's weapons imports, but in some cases UNITA also solicited bids from a wider range of brokers – particularly when there were special needs or requirements. As a general rule, the broker who supplied the arms was also responsible for arranging transport and delivery, any necessary training on the use of the system, maintenance and sometimes even spare parts.

16. *UNITA procurement 1993-1994: the De Decker brothers.* The Panel learned that from 1993 to 1994 much of UNITA's military equipment was procured using a South African arms dealer named Ronnie De Decker, who went by the name of "Watson". UNITA's relationship with Watson had two essential components – the first was the procurement of arms and military equipment, and the second was payment for these goods and services with diamonds. The key to the financial side of the transaction was Watson's brother -- Joe De Decker, who was at one time a De Beers site holder and currently runs De Decker Diamonds in South Africa. Typically, the De Decker brothers would travel together to Andulo using an LR35 Lear Jet, and once Watson had finished negotiating the arms component of the deal Joe De Decker would sit together with UNITA's own diamond experts to assess and value the diamond packages that UNITA presented for payment (generally packaged in parcels worth between US$4 million and US$5 million). Sometimes Watson would take the packages to Antwerp and come back with a lower counter-proposal on the value of the diamonds, claiming that this was all that he could get in Antwerp.

17. The arms which Watson sold to Savimbi came mainly from Eastern Europe and included, among others things -- mortar bombs, anti-tank weapons, anti-aircraft weapons, grenades, ammunition of various kinds, and a variety of small arms and light weapons. Watson also procured medicines for UNITA. In 1994,

Watson was responsible for bringing foreign trainers to Huambo, in order to train UNITA soldiers on use of the SAM16 missile system. However, in 1994 or 1995 Watson was reported to have begun having difficulties supplying certain types of lethal equipment to UNITA and as a result of these problems Savimbi increasingly began to look to other brokers. UNITA continued to use Watson as a source of supply for lethal and non-lethal military equipment at least until 1997, and perhaps afterwards.

18. *UNITA procurement 1994-1997: the role of Zaire.* Savimbi approached the then President of Zaire, Mobutu Sese Seko, and confided to him that UNITA wanted to acquire additional weapons. Mobutu agreed to assist, and the Panel heard testimony that from 1995 onwards (and possibly as early as 1994), planes began arriving in Zaire from Eastern Europe carrying arms and military equipment for UNITA. Most of these planes arrived at night and the military cargo was offloaded and then put in bags to try to disguise it as food or clothing. Some of the cargo was stockpiled in warehouses near Kinshasa and Gbadolite, and some of it was loaded onto other planes and transported to Andulo or sometimes Bailundo.

19. General Jacinto Bandua testified that in January 1996 when he was given responsibility for UNITA's strategic procurement, he travelled to Kinshasa where he was met on arrival by someone from the President's office. Contact was then arranged with General Nzimbi Wale Kongo Wabase (commander of the "Division Speciale Presidentielle") who took him to a warehouse near Kinshasa where he was shown a large quantity of weapons. While in Kinshasa, and on Savimbi's specific instructions, Bandua also made contact with a Lebanese arms merchant who was then going by the name of Imad Kabir (believed also to be known as Emad/Emat Bakir). Kabir was part of Mobutu's entourage and had been introduced to Savimbi by Mobutu in 1995. Bandua learned that Kabir had been purchasing weapons for Savimbi which were being delivered to Kinshasa. From 1995/1996 until the fall of Andulo in October 1999, Kabir is said to have served as UNITA's primary broker for importing arms and military equipment.

20. Until the overthrow of Mobutu in May 1997, UNITA used Zaire as a base for the stockpiling of weapons, and it used Zairian end-user certificates as the means by which arms brokers working for UNITA were able to obtain the weapons Savimbi wanted. Mobutu provided Savimbi with the Zairian end-user certificates, and in exchange Savimbi gave Mobutu diamonds and cash. Savimbi passed the end-user certificates to Marcelo Moises Dachala (known as "Karriça") who served as UNITA's representative in Zaire. Karriça in turn would provide the end-user certificates to Kabir, who then used the certificates to purchase the weapons that UNITA required. Weapons came into Kinshasa or Gbadolite directly from their country of origin, often on aircraft owned by a South African national of Belgian origin named Jacques "Kiki" Lemaire (who remains active in the transport business, operating in Southern and Central Africa). Lemaire worked together with a person in Mobutu's entourage, known as "Manu" and identified as

Manuel Roque (believed to have a Belgian passport, and now to be in South Africa).

21. *UNITA procurement: the role of Burkina Faso.* The Panel has received numerous reports concerning the possible use of Burkina Faso as a transit point for arms originating in Eastern Europe and destined for UNITA. The Panel received specific evidence of flights carrying weapons from Eastern Europe landing in Ouagadougou and Bobo-Dioulasso, with the arms then being transhipped from there to other end-users including UNITA. Based on specific information received, the Panel during its visit to Burkina Faso asked permission of the Burkinabé authorities to visit the airport at Bobo-Dioulasso in order to inspect the facilities there and verify whether the airport was being used as a transit point for arms and military equipment going to Angola. The request was turned down on the spot by officials of the Ministry of Foreign Affairs in Ouagadougou, and several days later the same request was also rejected by the Minister of Foreign Affairs whom Panel members met in Lomé.

22. The Panel has received credible information that arms destined for Burkina Faso have been unlawfully diverted to other end-users. In the context of the broad relationship between Burkina Faso and UNITA -- which is detailed in this report – the Panel's assessment is that it is highly likely that arms legally sold and transported to Burkina Faso have been diverted by Burkinabé authorities to UNITA in breach of Security Council sanctions.

23. *UNITA procurement: the role of Congo-Brazzaville.* The Panel received information derived from official sources in Congo (Brazzaville) that following the signature of the Lusaka Protocol, UNITA moved a "significant amount" of military equipment from Angola into Congo (Brazzaville) in order to avoid United Nations monitoring of the disarmament and demobilisation efforts that were to follow Lusaka. Between 1994 and 1998, this equipment which had been stashed in Congo (Brazzaville) was progressively fed back into UNITA's part of Angola by air from Pointe Noire. These activities reportedly took place in Congo (Brazzaville) during the Government of former President Pascal Lissouba. The Panel has not been able independently to confirm this account, but believes the account to be credible.

24. The Panel did however receive direct testimony from General Bandua that in 1995 the Government of Congo (Brazzaville) had acceded to a request by Savimbi to facilitate the purchase of 10,000 military uniforms in violation of United Nations sanctions. Bandua said that he had been instructed by Savimbi to work through the Government in Brazzaville to purchase 5000 fatigues and 5000 green French style uniforms, which were to be paid for in cash with US dollars. The uniforms were in turn bought from a French factory under the cover of the Brazzaville Government, and came by ship to Pointe Noire, and then on an Antonov 74 aircraft from Pointe Noire to Bailundo. Bandua stated that there was

no direct contact with the French Government on the deal and that Savimbi had in fact deceived the Congolese Government by claiming that he did not want his troops who were being demobilized to turn up in torn civilian clothing but wanted them to look "spic and span" since UNITA was a great party and had to maintain its prestige.

25. *UNITA procurement: the role of Rwanda.* The Panel's investigations revealed that despite past animosities arising from Rwanda's role in toppling Mobutu, a number of common interests had in recent years brought UNITA and Rwanda closer together. The catalyst for the change in relationship occurred in August 1998 when two Rwandan battalions became trapped in the western DRC following the intervention into the conflict of Zimbabwe, Angola, and Namibia. In order to rescue the Rwandan battalions, Vice-President Kagame initiated contact with Savimbi and requested UNITA's permission for the Rwandan troops to retreat into adjacent areas of northern Angola then controlled by UNITA forces. Savimbi agreed to the request and the previously adversarial relationship changed. From Angola, some of the Rwandan troops were transported by plane back to Rwanda, while others stayed together with the UNITA forces.

26. The common interest that UNITA and Rwanda shared in overthrowing President Kabila apparently prompted the two sides to begin to cooperate more closely. This cooperation included the despatch by Savimbi of a battery of UNITA anti-aircraft crews (SAM16) to aid Rwandan backed rebels in the DRC. The Rwandans for their part are reported to have allowed UNITA to operate more or less freely in Kigali for the purposes of arranging diamond sales and meetings with weapons brokers. Rwanda is also said to have introduced UNITA to some of its own arms brokers and contacts, including Victor Bout. The panel learned from a number of sources that as part of this effort to establish connections with weapons buyers and make diamond sales, Karriça became a frequent visitor to Kigali – with the knowledge and protection of the Rwandan authorities. Also frequently seen in Kigali are Imad Kabir, Kiki Lemaire and Victor Bout.

27. *UNITA procurement: South Africa.* The Panel received evidence of significant support provided to UNITA by individuals operating from South Africa – many of whom are also South African nationals. In some cases, South African nationals facilitated transactions for UNITA through other countries and not from South Africa. In other cases, South African nationals and others have been providing non-military equipment to UNITA from South Africa. According to information provided to the Panel by the Government of South Africa, initiatives by the Government have resulted in some of these individuals taking their UNITA supply operations to other countries.

28. The role played by the De Decker brothers in procuring arms and military equipment for UNITA from Eastern Europe has already been noted. Also important to UNITA's supply chain was a South African/Namibian national

operating from South Africa named Johannes Parfirio Parreira (sometimes spelled Pereira). Parreira is said to have a number of passports, and currently to be based in South Africa after having been forced to leave Namibia where he been operating an air cargo company called Northern Namibian Distributors. General Jacinto Bandua told the Panel that Parreira had sold 50,000 pairs of military boots to UNITA, as well as socks and vehicles. Parreira is also known to have been involved in smuggling mining equipment, medicine and other commodities to UNITA in exchange for payment in diamonds and indeed to have been at the centre of a network of illicit UNITA suppliers using his air charter company Interstate Airways.[6] Parreira was arrested in Zambia on a number of smuggling offences related to UNITA sanctions busting, but jumped bail and fled the country while awaiting trial. Parreira is also reported to have been detained by the Angolan authorities in 1998 after his plane was forced down by the Angolan air force while deep in Angolan airspace, but also to have escaped from custody.

29. Lanseria airport, near Johannesburg, South Africa, continues to be associated with smuggling activity in support of UNITA. Smuggled commodities include medicines, clothing and other commercial commodities, as well as diamonds. Typically, flights will leave from Lanseria declaring Zambia or the DRC as their destination. Once the flights cross into Zambian airspace the planes divert to locations in UNITA controlled territory. In addition to Interstate Airways, a company named Air Cess together with its sister company Air Pass are known to have been involved in the smuggling of commodities from South Africa to UNITA controlled areas. Air Cess and Air Pass are controlled by a Russian national named Victor Anatolevic Bout, whose operations are now largely based in the United Arab Emirates.[7]

30. Of particular concern to the Panel were a number of seemingly credible reports from a number of sources that a high level UNITA delegation, led by the Vice-President of UNITA, General Antonio Dembo travelled to South Africa in August 1999, and that while in South Africa Dembo and Karriça were able to purchase a 35mm anti-aircraft battery. Dembo himself was reported to have informed a meeting of UNITA commanders about the purchase of this weapon system upon his return to Andulo, and the commanders were told to prepare for its arrival. The weapon was reportedly planned to have been delivered directly from South Africa to Andulo on 20 October 1999, but these plans were disrupted by the Government's capture of Andulo on 19 October 1999. It is alleged that UNITA

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[6] A large number of people associated with Parreira are also believed to have connections to UNITA smuggling operations. Many of these connections were uncovered by INTERPOL. Further investigation and exposure of these connections should be a high priority for future sanctions enforcement actions. In order to assist these efforts, the Panel will make available to the Sanctions Committee pertinent information that has already been collected.

[7] Victor Bout is known to operate with a number of partners, some of whom are also believed to be involved in sanctions busting activities on behalf of UNITA. As noted in the Panel's recommendations, further investigation and exposure of these connections should be a high priority for future sanctions enforcement actions. In order to assist these efforts, the Panel will make available to the Sanctions Committee pertinent information that has already been collected.

leaders made statements to the effect that they were being encouraged by UNITA's friends in South Africa to retake Andulo so that the weapon system and other military supplies could be flown in.

31. On 23 February 2000, the Panel received information from the South African Government acknowledging that General Dembo had visited the country in 1999, but stating that this was not on official business or as a guest of the Government. The South African Government informed the Panel that in line with Security Council sanctions General Dembo and other senior UNITA officials and their families had been placed on its "watchlist". The South African Government further informed the Panel that its own investigations have produced no information about any such anti-aircraft weapon being sold to UNITA, and that the manufacture and transfer of all arms are tightly controlled in South Africa.

32. *UNITA procurement from 1996: the role of Togo.* Despite the support that UNITA was receiving from Mobutu and Zaire, Savimbi – believing an alternate source of end user certificates should be found -- initiated efforts to try to secure Togo as a possible future base for UNITA. In 1993 Savimbi despatched Col. Alcides Lucas Kangunga (known as "Kallias") to Lomé to approach President Eyadema on the matter. Kallias was instructed to say to Eyadema that Zaire was a country of many problems and that it was impossible to say what would happen there. He was to note that Mobutu was only in power because he was supported by the United States, and that if this support were withdrawn the picture would change. He was also to claim that many weapons suppliers were already reluctant to ship to Zaire, and that UNITA needed to prepare itself militarily. Kallias was to emphasise to Eyadema that UNITA needed weapons, and that it needed credible end-user certificates – something that Togo could provide. Kallias was to say that UNITA was looking to Togo for support, and that Togo could provide a safe place to locate UNITA equipment.

33. Savimbi's proposal that Togo play a more active role in support of UNITA (a proposal that also included Togo hosting some of Savimbi's children) was accepted by President Eyadema in late 1993. As a token of appreciation, Kallias gave to Eyadema a "passport sized" packet of diamonds on Savimbi's behalf. Kallias became UNITA's representative in Togo, and served there from 1993-1995. According to Kallias, the working arrangement between Togo and UNITA provided for Togo to keep a share of the arms and military equipment that was imported for UNITA, normally 20%. In each case Eyadema could decide whether Togo would take its share in kind or in cash. Kallias recalled that subsequently a "misunderstanding" had arisen when Togo learned that UNITA was receiving materiel through other channels, bypassing Togo. Eyadema thought that Togo was being cut out, and he was unhappy with this. In 1995, Kallias was transferred by Savimbi back to Zaire. Savimbi told him that they would use Togo when they lost Zaire.

34. The Togo connection took on particular importance for UNITA in January 1997 when Savimbi reportedly became convinced that "the United States had decided to get rid of Mobutu". Soon afterwards, UNITA began a concerted effort to transfer to Angola the equipment that had been stored in Zaire. Savimbi also made an effort to try to purchase as much new equipment as possible from Eastern Europe before Zaire was closed to UNITA. By May 1997, all of UNITA's equipment in Kinshasa had been shipped out to Angola, with the exception of some SAM6 anti-aircraft missiles that were sent to Togo in an effort to avoid detection by UNAVEM. The equipment in Gbadolite was also pulled out, with much of it going to Togo.

35. Following the overthrow of Mobutu, President Eyadema replaced Mobutu as the primary supplier to UNITA of end-user certificates for arms and military equipment. As in the case of Zaire, the Togolese end-user certificates provided by Eyadema were turned over to Karriça, who passed them on to Imad Kabir in order for Kabir to procure the arms and military equipment that was required. Most of the arms imported after the overthrow of Mobutu were said to have been flown from their source of origin in Eastern Europe to Andulo.

36. *Use of false end-user certificates.* Through its investigations the Panel learned that in 1995 and 1996 false end-user certificates purporting to come from Zambia were presented to a number of arms supplying countries. The certificates are believed to have been linked to procurement activities on behalf of UNITA. Although the certificates purported to come from Zambia, the Panel has no evidence that there is any link between these forged certificates and Zambia or any Zambian national, and the Zambian authorities took action to investigate the matter when it was brought to their attention as a result of efforts by some of the supplying countries to verify the certificates.

37. The Panel questioned a number of arms supplying countries about these certificates. The Government of Ukraine replied that in the summer of 1999 a meeting was held, as a result of which the certificates were found to be "not authentic" and the broker firm "denied permission for further activities by the State Export Control Agency." The Panel's own investigations revealed that the false certificates had been presented to the Ukrainian authorities in 1996 by a company called East-West Metals Ltd., and that the sale had been stopped by Ukraine. The Panel found that the Russian Federation had also been suspicious of the certificates presented on behalf of East-West Metals Ltd. seeking to procure IGLA surface to air missiles. After conducting an investigation of their own, the Russian authorities cancelled the order.

38. In response to the enquiry made by the Panel, the Government of Bulgaria responded in writing that the sale had been cancelled when the fraud was discovered, and identifying the importer as a United States company by the name of "Milteks". The Panel's own investigations however, have raised doubts

concerning the correctness of the response received from the Bulgarian authorities. Information provided to the Panel, but which the Panel has itself not been in a position independently to confirm, indicates that military ammunition was in fact delivered from Bulgaria to UNITA, through Milteks, using end-user certificates which the Bulgarian authorities had reason to believe were not genuine.

2. *The source of origin of UNITA's arms and training*

39. *The source of arms.* UNITA acquired arms and military equipment from two sources – large quantities were imported from suppliers in Eastern Europe, and substantial quantities were captured by UNITA from Government forces in battle. There has been considerable speculation as to the actual source of origin of the weapons purchased by UNITA – the vast majority of which were of East European origin. The Panel learned that as a result of the end of the Cold War and the dissolution of the Warsaw Pact international arms markets were being filled with surplus weaponry, much of it of East European origin offered at below market prices. The arms reduction requirements imposed by the Conventional Forces in Europe Treaty (CFE) have resulted in the need for some countries to reduce and dispose of stockpiles. Likewise, the desire of a number of former Warsaw Pact countries to join NATO may have resulted in those countries selling off non-NATO standard equipment at a discount – with much of this equipment going to Africa. Arms sales bring in hard currency, and are a significant economic factor in a number of former Warsaw Pact countries now facing economic difficulties.

40. It is known that there are many Ukrainian nationals among the flight crews of aircraft bringing in arms and other military materiel for UNITA. A number of the air transport companies often mentioned in connection with illegal flights into Andulo appear to have Ukrainian ties. The presence of Ukrainian instructors in UNITA areas has also been widely reported. Also prevalent were Ukrainian arms brokers purporting to have good connections in Ukraine and Bulgaria. General Bandua stated that he thought that a BM-27 (Hurricane) Multiple Launch Rocket system had come from Ukraine, via Togo. However, the Government of Ukraine reported that there were no authorized arms sales from Ukraine to Togo during the relevant period. The Panel's investigation turned up no evidence that the Government of Ukraine sold arms or otherwise provided military assistance directly or indirectly to UNITA.

41. While not excluding the possibility that some weapons may have reached UNITA from Ukrainian territory – especially from unauthorized sources, the evidence collected as a result of the Panel's own investigations overwhelmingly points towards Bulgaria as the source of origin for the majority of the arms purchased by UNITA – at least since 1997. The Panel heard corroborated independent testimony from several sources that aircraft carrying military equipment for UNITA arrived in Andulo from Bulgaria. This information was

confirmed by the ex-UNITA officer who was in charge of the control tower at Andulo until its capture by Angolan Government forces in October 1999. General Jacinto Bandua also confirmed that flights carrying military equipment arrived in Andulo from Bulgaria. General Bandua had the responsibility of cross-checking delivery quantities and weight against the accompanying documentation, and he noted that in many cases Bulgaria appeared in the documentation as the point of origin for the flights bringing in military equipment. General Bandua recalled that in some cases the documentation indicated that some of the equipment had transited through Togo. The Bulgarian connection is also supported by evidence gained in 1999 from the interrogation of a captured UNITA Colonel, who stated that boxes of ammunition and other military materiel delivered to Andulo had Bulgarian markings. A report on the Colonel's interrogation was shown to the Panel.

42. In light of what was learned by the Panel regarding UNITA's pattern of procurement for arms and military equipment, the Panel formally asked the Governments of Belarus, Bulgaria, Ukraine and the Russian Federation to provide information on any arms sales involving Togolese end-user certificates since 1997. The Government of Bulgaria indicated that "since the beginning of 1997, 19 permits have been issued to Bulgarian companies for arms export to the Republic of Togo ...". In at least one case, the importing party arranged for the transport of the arms on Air Cess – a company that has long been widely reported as having been engaged in sanctions busting for UNITA. As noted above, the Government of Ukraine informed the Panel that there were no authorized sales by Ukraine to Togo since 1997.

43. The Panel observes that, at the time this report was finalised, it had not received substantive replies from the Government of Belarus and the Government of the Russian Federation to its requests for information, including with regard to arms sales with end-user certificates from Togo and Burkina Faso.

44. *External training of UNITA soldiers.* The Panel also received evidence suggesting that some UNITA personnel had been trained in Bulgaria on the use of various weapons systems that UNITA was importing – particularly the SAM6 anti-aircraft missile system, and the BMP2. The director of the control tower in Andulo stated that a flight that brought back some of the UNITA personnel who had gone for training, came to Andulo directly from Bulgaria. General Bandua indicated that those who had gone abroad for training officially went in the guise of Zairians and not as UNITA (though the UNITA trainees were all Portuguese speakers rather than French speakers). In response to a question posed by the Panel, the Government of Bulgaria acknowledged that "In August, September and October 1996, 40 Zairian military specialists were trained for the level of command positions in the "KUB" anti-aircraft missile complex in the "P. Volov" Air Force Academy in the town of Shumen, Bulgaria."

45. In response to a similar set of questions, the Government of Ukraine informed the Panel that they were "not in possession of any information on military personnel training in or for Zaire" and that there was "no agreement between Ukraine and Zaire on any kind of military or military-technical cooperation, including training". The Panel found no evidence to suggest that Ukraine was directly or indirectly involved in the training of UNITA personnel. The Governments of Belarus and the Russian Federation have not yet provided substantive replies.

46. *Presence of foreign mercenaries.* The possible use by UNITA of foreign mercenaries has been a matter of particularly intense interest. The activities in Africa of soldiers for hire including those associated with the firm Executive Outcomes have been well publicised. Although the Panel continued to hear reports of foreign mercenaries serving with UNITA, the Panel was not able to confirm these reports. The direct evidence presented to the Panel was to the effect that while there were no foreign combat soldiers now fighting with UNITA, there were foreign instructors (usually procured by the arms broker) especially for mechanised units. The Panel was unable to determine conclusively the nationality of foreign military personnel reported to be assisting UNITA. Nationalities mentioned include Russians, Ukrainians, Bulgarians and South Africans.

3. Types of arms and military equipment used and imported by UNITA

47. The Panel's assessment leads it to believe that UNITA has a limited inventory of conventional weapons systems. UNITA is primarily an insurgent force and employs its conventional weapons tactically within this context. Moreover, information obtained by the Panel indicates that UNITA does not have the sophisticated logistical supply apparatus to support the sustained use of such weapons in conventional combat roles. Therefore, the mainstay of their weapons inventory remains small arms and light weapons.

48. There has been much speculation about the type and nature of arms and military equipment imported by UNITA. The Panel is perhaps not in a position conclusively to resolve all of these issues once and for all, but the Panel's investigations do shed some light on these questions. Weapons systems which UNITA is known to have imported include mechanised vehicles such as tanks and armoured personnel carriers, mines and explosives, a variety of small arms and light weapons, anti-tank weapons, anti-aircraft weapons, and a variety of artillery pieces.

49. Specifically regarding the purchase of tanks by UNITA, the Panel was told by Col. Kallias that UNITA had purchased only five tanks, and that these had been T-64s. That only a very small number of tanks were actually purchased by UNITA is information that is corroborated by the UNITA officer captured by

Government forces in 1999, who said that as far as he knew UNITA had purchased only four tanks. The remainder of the tanks in UNITA's arsenal (which the panel is not in a position to quantify), were all reported to have been captured by UNITA from Government forces. The Panel heard evidence that between 1995 and 1998 UNITA purchased a quantity of tank accessories, which enabled them to rehabilitate captured tanks.

4. Military cooperation with UNITA in the DRC

50. *Cooperation between UNITA and DRC rebels.* Through its investigations, the Panel learned that in January 1999 a team of anti-aircraft gunners was sent by UNITA to the DRC in order to help the Rwandan backed rebels there. The commander of the battery was a Capt. Jose Kwalo and he was accompanied by a Major named Chipepe. The team was also accompanied by a translator and political officer. By February 1999 this team was reported to have shot down one MIG fighter. Following UNITA's loss of Andulo and Bailundo, the Panel has also received corroborated reports of a more substantial presence of UNITA troops and advisers operating alongside Rwandan forces and DRC rebels fighting in the DRC, including the deployment by Rwanda of UNITA troops in the Rwandan controlled sector of the DRC.

B. CONCLUSIONS RELATING TO ARMS AND MILITARY EQUIPMENT

51. The Panel noted that a substantial quantity of UNITA's arms and equipment were captured by UNITA from Government forces in battle. In addition to this, UNITA was also able to import large quantities of arms and military equipment – mainly as a result of four key factors. First has been the willingness of certain countries in Africa to provide their end-user certificates to UNITA and to facilitate the passage of arms and military equipment through their territory to UNITA – most notably Zaire under Mobutu, Togo, and Burkina Faso. Second has been the willingness of some arms supplying countries, officially or unofficially, to sell weapons with little or no regard for where those arms would actually end up -- in this case, most notably Bulgaria. Third has been the eagerness of international arms brokers and air transport carriers to act as intermediaries between UNITA and the suppliers of the arms and military equipment. A fourth factor has been the capacity of UNITA to continue to pay for what it wants.

C. RECOMMENDATIONS RELATING TO ARMS AND MILITARY EQUIPMENT

52. *Recommendation 1.* In order to add credibility and seriousness to sanctions resolutions and restrict UNITA's capacity to evade the sanctions, the Security Council should apply sanctions against leaders and governments found to have been deliberately breaking the sanctions relating to the supply of arms and military

equipment to UNITA. Sanctions on identified sanctions busters might include an embargo on arms sales to named countries for 3 years, to be followed by 3 years of international probation.

53. *Recommendation 2.* In view of the fact that UNITA was successfully able to enlist international arms brokers in its efforts to procure illicit weapons, the Panel recommends that Governments agree to register, license and monitor the activities of arms brokers. The Panel further recommends that information collected through this exercise be stored in a national databases on arms brokers that would be made available, as appropriate, to other Governments, as well as to regional and international organisations seeking to facilitate the curtailment of illicit arms transfers.

54. *Recommendation 3.* In order to facilitate the eradication of illicit arms transfers it is recommended that Governments make available records of arms production and surplus armaments, and give preference wherever possible to the disposal of such arms preferably through destruction – making use, where necessary, of funds that have been reserved for this purpose by various international organisations and governments. It is further recommended that there should be increased accountability in the sale of such armaments with the onus of exercising due diligence in determining the actual end-users resting squarely on the supplier. It is also recommended that the sale of such arms to arms dealers as final sales be forbidden.

55. *Recommendation 4.* The Panel noted the problem of the diversion of arms and military equipment from the declared end-user, and observed that the current end-user certificate system that prevails in many countries is wholly inadequate to ensure against such diversions. The Panel therefore recommends that all arms transfers by Governments should provide for the mandatory authentication and reconciliation of all end-user certificates, as well as the verification of stated undertakings contained in those certificates. Consideration should be given as to the type of assistance that might be needed by Member States in order to carry out end-user verifications, thereby eliminating the diversion of arms and military equipment in violation of United Nations sanctions.

56. *Recommendation 5.* The Panel fully supports the proposal advanced in the 4 June 1999 Report of the Chairman of the Sanctions Committee (S/1999/644) that compliance with United Nations sanctions regimes should be among the criteria considered by NATO and the European Union when evaluating candidates for new membership.

57. *Recommendation 6.* In view of the fact that the weapons which UNITA was able to purchase were overwhelmingly of East European origin, the Panel supports the idea advanced by Ukraine of bringing together Eastern European suppliers of arms with a view towards formulating concrete proposals on how best to stem the

illicit flow of arms from this region into Angola. The Panel recommends that this initiative be actively supported by the Security Council as well as by the broader international community, and that SADC representatives be included in these discussions with the objective of finding solutions to the identified problem.

58. *Recommendation 7.* The Panel notes that the Governments of Belarus and the Russian Federation have yet to provide substantive responses to the Panel's requests for information. The Panel recommends that the Chairman of the Sanctions Committee pursue those requests.

II. SANCTIONS BUSTING ON PETROLEUM AND PETROLEUM PRODUCTS

59. Security Council resolutions prohibit all sale or supply to UNITA of petroleum and petroleum products. Member States of the United Nations are required to prevent their nationals, flag vessels and aircraft from engaging in such activities (resolution 864 of 15 September 1993, and subsequent resolutions).

A. FINDINGS RELATING TO PETROLEUM AND PETROLEUM PRODUCTS

60. The Panel investigated the supply of petroleum products to UNITA and to UNITA controlled areas. The Panel's attention was focused on efforts by UNITA authorities to supply the organisation's military and political machine, as well as commercial smuggling by enterprises operating in UNITA controlled areas. The Panel also took note of various small scale cross-border supply efforts carried out by local inhabitants for their own private purposes. The specific information that the Panel was able to collect relates only to usage by UNITA's military and political apparatus. The quantities of fuel consumed by private and commercial consumption in UNITA controlled areas are not known and cannot be quantified by the Panel. Based on the information gathered regarding fuel usage by UNITA's military and political apparatus however, it is clear that fuel was a very precious and expensive commodity, and that UNITA made every effort to use it sparingly. There is substantial evidence from other sources of UNITA vehicles running short of fuel in battle situations -- a phenomenon that was confirmed to the Panel by former UNITA soldiers.

1. The supply of petroleum products to UNITA 1993-1998

61. *UNITA's stockpiles of petroleum products.* The Panel learned from a variety of sources that UNITA began stockpiling fuel for its future military needs during the relative peace that resulted from the negotiations around the implementation of the Lusaka Protocol. General Jacinto Bandua informed the Panel that between January 1996 and December 1998 UNITA was able to acquire 2.3 million litres of fuel for its administration and war machine, however the Panel

has no information on how much fuel UNITA already had in its stockpiles prior to 1996. The Panel was informed that most of this fuel was consumed by UNITA's ongoing political and military operations during this period, and when heavy fighting resumed again in December 1998, only 500,000 litres of fuel remained in UNITA's stockpiles. (By way of comparison, it should be noted that the capacity of an average fuel tanker truck is approximately 20,000 litres.)

62. *Sources of fuel supply.* The Panel's investigations revealed that between 1996 and the end of 1998, the principal supplies of fuel for UNITA came from purchases within Angola, from Zaire (until the overthrow of Mobutu in May 1997), and from Congo-Brazzaville (until the overthrow of Lissouba in October 1997). Fuel arrived in drums from Kinshasa and Pointe Noire and from these places it would be transported to Andulo and Bailundo. In Kinshasa, the contact person for these transactions was "Manu" (previously identified as Manuel Roque). In Brazzaville, the contact person was the Prime Minister, General Joachim Yhombi Opango, who facilitated the transfers to UNITA.

63. After the fall of Mobutu, there was an even greater effort made to procure fuel from sources within Angola. In addition to efforts to obtain fuel from within Angola, 150,000 litres were reportedly obtained in 1998 from Libreville, Gabon. Around the middle of 1998, Generals Chiwale, Black and Chitombo were sent to Zambia to make contact with the Zambian government in order to try to procure fuel and equipment. While it appears that some fuel was obtained from Zambian sources, the Panel is unable to say for certain that Zambian government officials had a direct role in this or precisely what quantities were obtained.

2. The supply of petroleum products to UNITA from January 1999

64. The resumption of fighting in November 1998 largely closed off internal Angolan supply channels for fuel. At the same time armoured vehicle operations and UNITA troop movements were consuming large quantities of fuel. According to General Bandua, by January 1999 UNITA had less than 100,000 litres of fuel on hand, and the acquisition of additional supplies became UNITA's top strategic procurement priority. Fuel was considered so vital a commodity, that all withdrawals from stockpiles had personally to be authorized by Savimbi. Savimbi also took personal charge of fuel procurement operations, and approaches were made at the highest levels to Burkina Faso, Zambia and Togo. Assistance was also solicited from the Congolese rebel leader Jean-Pierre Bemba. As was often the case, Karriça was dispatched to make the necessary personal contacts.

65. The results of these fuel procurement contacts were mixed. In February 1999, according to General Bandua, President Compaoré of Burkina Faso agreed to facilitate the despatch to Savimbi of three flights comprising 18,000-20,000 litres of diesel fuel per flight. Fuel was also procured through Bemba's Congolese rebels, who allegedly bought the fuel in Zambia using Bemba's connections there

and then resold the fuel to UNITA. By contrast, the approach to Togo apparently did not succeed, and it is unclear whether UNITA's appeals to Zambian officials and businessmen produced any significant tangible results. In May/June 1999 planes brought in 20,000 litres of fuel in drums, and an Ilyushin aircraft that had been specially hired for this purpose made a number of trips to bring in 50,000 litres of fuel in containers.

66. The Government of the United Kingdom also provided information on the possibility that in April 1999 UNITA was able to buy fuel commercially in Gaborone and that this fuel was then transported to Andulo by plane. The Panel was informed that the aircraft filed flight plans for Francistown, Botswana but flew instead from Gaborone to Andulo. The Panel was also informed that the fuel was paid for using a South African bank account into which funds had been placed for this purpose, and that a warehouse in Gaborone had been used to store fuel and other supplies for UNITA. Due to the late receipt of this information, the Panel was unable to investigate these allegations. On 24 February 2000, the Government of Botswana wrote to inform the Chairman of the Sanctions Committee that an investigation had been launched into these allegations, and expressed regret that the information had not been provided to the Government of Botswana prior to being made public.

3. Refuelling of aircraft coming from UNITA controlled areas

67. An important but indirect sanctions busting component of the supply of petroleum products to UNITA was the refuelling facility provided by neighbouring countries to aircraft that landed in Andulo or Bailundo with military equipment and other commodities for UNITA. Although a few aircraft were refuelled in Andulo after equipment was offloaded, planes were given only enough jet fuel to get them to their refuelling destination. In most cases the refuelling destination was Libreville, Gabon – from whence the planes could return to Eastern Europe. In some cases aircraft from Eastern Europe were reported to have refuelled on route to Andulo. There is credible evidence that Togo provided such facilities, and that planes sometimes also refuelled at Entebbe (Uganda) and in Kigali before continuing on to Andulo.

4. Commercial smuggling of petroleum into UNITA controlled areas

68. In addition to the supplies of petroleum products procured by UNITA, the Panel also found evidence of significant commercial smuggling into UNITA controlled areas. Credible and reliable reports were received of significant fuel smuggling across the Zambian border -- most recently in the vicinity of the town of Jimbe, and of fuel smuggling across parts of the Angolan border with the Democratic Republic of Congo that are under UNITA control. Credible and reliable reports also continue to be received of flows of petroleum products from Government controlled areas into UNITA controlled areas (though not necessarily

to UNITA), however the Panel is not able to quantify these flows. Reliable information has also been received on relatively small scale fuel sales across the Angola-Namibia border, but these appear to be primarily of a private nature usually involving transactions of between 20 and 50 litres only.

B. CONCLUSIONS RELATING TO PETROLEUM AND PETROLEUM PRODUCTS

69. The Panel confirmed the critical importance of fuel supplies to UNITA's political and military operations, and that UNITA took advantage of the peace in Angola to build stockpiles for war. The Panel concluded that a number of former and current Heads of State in Africa helped UNITA to circumvent Security Council sanctions against the provision of petroleum products to UNITA. Those implicated include the former President of Zaire, Mobutu Sese Seko; the former President of the Republic of the Congo, Pascal Lissouba; and the former Prime Minister of the Republic of the Congo, Gen. Joachim Yhombi Opango; and the President of Burkina Faso, Blaise Compaoré. The Panel also concluded that there was significant complicity by Zambian nationals in the violation of the petroleum sanctions, but the Panel is unable to say with certainty whether or not this occurred with the support of Zambian Government officials. The Panel further concluded that there had been significant acquisitions of fuel by UNITA from within Angola, resulting both from inadequate controls and from outright corruption. The Panel also noted that fuel supplies continued to be smuggled into UNITA controlled areas in support of commercial entities and private individuals operating there. These supplies come across areas of the Zambia and DRC borders adjacent to UNITA controlled areas, and to a lesser extent they appear also to cross the border from Namibia.

C. RECOMMENDATIONS RELATING TO PETROLEUM AND PETROLEUM PRODUCTS

70. *Recommendation 8.* In order to reduce the opportunities for the smuggling of fuel into UNITA controlled areas, fuel stocks and movements should be closely monitored in the border areas of Zambia and the DRC adjacent to UNITA controlled areas. A less intensive regime could also be established for Namibia. The checks ought to involve physical inspection as well as the broader monitoring of petroleum supplies in the area (including the inspection of refinery and petroleum company records). SADC could take the lead in ensuring that proper monitoring systems are put in place. If decided upon by SADC, this undertaking should receive all possible support and assistance from the international community.

71. *Recommendation 9.* The Panel recommends that in areas adjacent to zones of conflict, institutionalised information exchange mechanisms should be established between oil companies and governments to facilitate the flow of

information regarding possible illegal diversions of fuel. Further, in the case of SADC, and with particular regard to the flow of petroleum products to UNITA, it is recommended that an ad hoc committee be established consisting of oil industry and government representatives for the purpose of establishing a database with details of fuel sales information from depots and commercial installations.

72. *Recommendation 10.* The Panel recommends to the Chairman of SADC that a DNA-type analysis be conducted of fuel samples obtained from petroleum industry suppliers in the SADC region and that the results be used to create a database for the purpose of evaluating fuel obtained or captured from UNITA. The results of such tests could be used as a basis for determining UNITA fuel sources.

73. *Recommendation 11.* To enhance the effectiveness of the sanctions against the supply of petroleum and petroleum products to UNITA, tighter internal controls should be designed and implemented within Angola. A serious and genuine political initiative is also needed to weed out and punish corrupt officials in government circles and in the private sector who are facilitating the supply of fuel to UNITA.

74. *Recommendation 12.* In light of the information received on the air transport of fuel and other hazardous commodities, and in the broader context of the use of cargo aircraft for sanctions busting purposes, the Panel recommends that Member States pay special attention to the strict application and enforcement of air safety regulations. Countries without an adequate regime, should develop one. A list of suspect companies could be provided to the International Air Transport Association, the International Civil Aviation Organisation and other relevant bodies, including governments, by the Sanctions Committee.

III. SANCTIONS BUSTING ON DIAMONDS

75. Security Council resolutions require Member States to prevent "the direct or indirect import from Angola to their territories of all diamonds that are not controlled through the Certificate of Origin regime" established by the Government of Angola (resolution 1173 of 12 June 1998). Also prohibited is the export to UNITA controlled territory of "equipment used in mining or mining services".

A. FINDINGS RELATING TO DIAMONDS

76. In accordance with its mandate, the Panel investigated how UNITA diamonds were able to move across international borders and ultimately be absorbed into the world diamond trade following the imposition of Security Council sanctions in June 1998. The Panel studied the operation of the diamond

trade within Angola, the operations of other diamond producing countries in the sub-region, and the procedures for buying and selling rough diamonds on the international market -- including Antwerp, London and Tel Aviv.

1. The significance of diamonds for UNITA

77. The Panel found that diamonds had a uniquely important role within UNITA's political and military economy. First, UNITA's ongoing ability to sell rough diamonds for cash and to exchange rough diamonds for weapons provide the means for it to sustain its political and military activities. Second, diamonds have been and continue to be an important component of UNITA's strategy for acquiring friends and maintaining external support. Third, rough diamond caches rather than cash or bank deposits constitute the primary and the preferred means of stockpiling wealth for UNITA.

2. How UNITA comes to possess diamonds

78. Based on information provided to the Panel, UNITA obtains its diamonds in a number of ways. An important direct source of diamonds for UNITA is the exploitation by its own people or by people requisitioned for this purpose of mines or mining areas located within territory controlled by UNITA. Also important is the extraction by UNITA of a share of the production of diggers working in territory under its control – a "tax" normally taken in rough diamonds, but sometimes also paid in cash. It is also known that UNITA has granted various diamond buyers a "license" to operate within its areas of control in exchange for a commission. Col. Kallias specifically described to the Panel how UNITA had made such an arrangement with a well known Congolese (DRC), whereby UNITA let him operate within the territory it controlled in exchange for a commission. Col. Kallias said that sometimes UNITA also gave the individual diamonds to be sold on its behalf.

79. In the past, and before the imposition of diamond related sanctions by the Council, mining permits had also been auctioned off to foreign companies for the exploitation of mines within UNITA controlled territory, but it is unclear whether or to what extent this activity might still be occurring. UNITA attacks on diamond mines have also been reported, as have organised fraud schemes by UNITA personnel working within the diamond industry. To protect and to monitor its diamond mining operations UNITA is said to have organised a special diamond protection forces, which operates under the command of General Antonio Dembo, the Vice-President of UNITA.

3. How UNITA exchanges diamonds for commodities or cash

80. The Panel was particularly interested in learning how UNITA continues to be able to sell its diamonds and/or exchange them for commodities that it needs.

The Panel concluded that UNITA's ability to sell its diamonds is based on three key elements. First, has been the ability of UNITA to get rough diamonds. Second, is the safe and protected access which UNITA has had to locations where diamond deals can be transacted. Third, is the ease with which illegal diamonds can be sold and traded on major diamond markets, particularly the largest and most important market -- Antwerp.

81. The Panel learned that generally when cash is required by UNITA, the required quantity of diamonds are packaged and either sold for cash or exchanged for the required commodities. In a typical arms transaction, UNITA prepares parcels of diamonds (allegedly valued between US$4 million and US$5 million each), and diamond experts provided by the arms broker and by UNITA agree on the value of each parcel based on the number and quality of the stones presented. UNITA specifically seeks out arms dealers willing to accept diamonds as payment. In a typical non-arms related deal where cash is needed to purchase commodities, support operations, or assist family members, for example, the diamonds are usually carried to a safe destination outside Angola, and a meeting is arranged with interested buyers. The diamonds are then exchanged for cash.

4. Where UNITA goes to sell its diamonds

82. The Panel found that sometimes the diamond traders travelled to Andulo to make the deal (though this required chartering transport and was therefore more common where weapons were also involved). Sometimes the diamonds were taken directly to Antwerp and evaluated or sold there. Sometimes the diamond traders and UNITA travelled to a third country to make the deal. In the later case, the favoured locations were Burkina Faso, Zaire (during the Mobutu era) and Rwanda (after 1998) – because of the protection given to UNITA personnel by the authorities in those countries. The Panel also learned that protected diamond deals had in the past taken place in a number of other countries, particularly Côte d'Ivoire. However, there was no clear evidence that UNITA continued to favour this location for diamond deals, and the authorities in Côte d'Ivoire informed the Panel that they had some time ago decided to put a stop to this type of activity.

83. *Burkina Faso as a safe haven for UNITA diamond transactions.* The Panel learned that Ouagadougou was a particularly favoured safe haven for transactions between UNITA and diamond dealers based in Antwerp. Typically, Savimbi would call President Compaoré in order to alert him that a delegation would be arriving. General Bandua recalled a conversation in which Savimbi told Compaoré that "all those who are coming to sell or buy, they are all my friends". This pattern of prior contact was confirmed by Col. Kangunga, who was responsible for Savimbi's communications equipment. The diamonds would normally be carried to Ouagadougou by Karriça, who would be met on arrival by someone from the President's office and provided with protection and an escort. This was necessary not only to ensure that there were no difficulties with customs

or other Burkinabé authorities, but also to ensure the safety of the diamonds or cash during the delegation's stay in the country. The protection was kept in place until the delegation returned to Andulo. The Panel also received credible evidence of similar types of transactions and similar facilities being provided by Rwandese authorities, and by the former Zairian authorities prior to the fall of Mobutu.

84. *Diamond smuggling from Namibia.* The Panel also found evidence that significant quantities of diamonds belonging to UNITA were being smuggled through Namibia. Shortly before the expiration of its mandate, the Panel received information from several sources that subsequent to the imposition of sanctions David Zollman has been involved in exporting diamonds to Antwerp for UNITA, including from Namibia. Similar allegations have also been made publicly, and the Panel feels that further investigation is warranted. The Panel also learned of the presence in Namibia of a number of UNITA officials who play an important role in the smuggling of UNITA diamonds. The UNITA official in charge of logistic supplies from Namibia is General Eduardo Wanani. Wanani obtains diamonds from diggers in the Cuango region, and then markets them using Windhoek as a base of operations. The Government of Namibia has been alerted to the Panel's findings and it is hoped that decisive action will be taken to put an end to this activity.

85. *Diamond smuggling from South Africa.* The Panel received credible information that a South African national named Piet Hand, who currently operates out of Johannesburg, is active helping to launder UNITA diamonds through South Africa. Hand is reported to have contacts with a number of licensed small mine operators in South Africa, and to launder Angolan diamonds by mixing them with the production from these mines, which is then legally exported as South African production. Of particular interest in this case was a technique whereby diamonds are half polished in order to conceal their origin, and make them similar to local semi-processed stones. Hand is also reported to have organised diamond sales for UNITA, including through a South African jewellery company.

86. *Diamond smuggling from Zambia.* The Panel received numerous reports of UNITA related diamond smuggling through Zambian territory. While the panel is not able specifically to confirm or corroborate these reports, it is apparent that Zambia is being used as a transit channel through which diamonds are smuggled by individuals out of UNITA controlled territory and eventually into other markets – including Antwerp. The Panel will pass on to the Chairman of the Sanctions Committee information connecting specific individuals in Zambia to diamond transactions in Antwerp, but which was received too late for the Panel to investigate.

5. Easy access of smuggled diamonds into international markets

87. *Ease of access for smuggled diamonds into Antwerp.* In tandem with access to safe locations, UNITA and its transaction partners also depend upon the fact that UNITA diamonds can ultimately be sold to diamond traders and polishers in Antwerp with relatively little difficulty. Antwerp's importance as a market for rough diamonds is due to the fact that it accounts for nearly 80% of the world's rough diamond trade, with an estimated annual turnover for rough diamonds of approximately US$5 billion. In this context the Panel found that the extremely lax controls and regulations governing the Antwerp market facilitate and perhaps even encourage illegal trading activity.

88. In addition to the formal legal market for importing and exporting diamonds in Belgium – a market that is structured around the Hoge Raad voor Diamant (HRD), otherwise known as the Diamond High Council, -- there also exists a significant "grey" market in Antwerp, involving an estimated 4,000 to 5,000 commercial diamond dealers, jewellers, manufacturers and brokers (compared with approximately 3,500 registered diamond traders). Registration with the HRD is voluntary, and operating outside of this regulatory framework is not in itself illegal. Once diamonds are brought into Antwerp, they are virtually impossible subsequently to trace. Diamonds sold directly to a jeweller or manufacturer can be polished (after which they can no longer be separately identified), or mixed with declared parcels to make them undetectable.

89. The lax regulatory environment that prevails in Antwerp would seem to be largely influenced by the often expressed fear that stricter regulation would simply cause traders to take their business elsewhere. To some extent also, the looseness of the Antwerp market is affected by things that are beyond the control of the Belgian authorities – namely, the large volume of diamond imports, the difficulties that sometimes arise in precisely identifying the origin of a parcel of diamonds (particular if stones from several areas have been mixed together), and the great ease with which diamonds as a commodity can be smuggled.

90. The Belgian authorities have failed to establish an effective import identification regime with respect to diamonds. Nor has any effective effort been made to monitor the activities of suspect brokers, dealers and traders – virtually all of whom appear to be able to travel freely and operate without hindrance. The Panel learned that the "diamond task force" established by the Belgian Government and the High Diamond Council in 1999 has never met. The Panel was informed of spot-checks made by the Belgian authorities on goods which could be suspected to include "UNITA diamonds". These spot-checks have, however, apparently not yet produced any results.

91. The unwillingness or inability of the diamond industry, particularly in Antwerp, to police its own ranks is a matter of special concern to the Panel.

Persons known within the industry to be dealing in UNITA diamonds have as a general rule neither been exposed by the industry, nor subjected to any sanction by the industry. Persons known within the diamond industry to deal in UNITA diamonds include Jean "Johnny" Seber (a Turkish national who is known to be one of UNITA's principal contacts in Antwerp), and David Zollman (a longstanding and ongoing UNITA contact for the sale of illicit diamonds) – neither of whom has been sanctioned or blacklisted by the diamond industry. It has also been reported to the Panel that Imad Kabir (a.k.a. Emad Bakir) may also be associated with a specific diamond company based in Antwerp. The Panel received this information too late to confirm or verify the specific name provided, but the information will be forwarded to the Sanctions Committee for further follow up action.[8]

92. *Lax controls within the broader diamond industry.* While the laxity of formal and informal controls in Antwerp contribute significantly to the capacity of UNITA to market its diamonds, the problem within the diamond industry is not limited to Antwerp. Lax controls in some producing countries may enable UNITA diamonds to be passed off as diamonds of different origin, and a number of countries that do not produce any diamonds still export rough diamonds as originating from their territory. Moreover, diamonds on the open market have traditionally been handled without controls as to the origin, and it has been sufficient merely to record provenance, i.e. where the diamonds have been shipped from as they arrive at the markets. It can sometimes be difficult for the countries of destination to differentiate between the countries of provenance and origin.

93. Besides Antwerp, London also plays a significant role in the rough diamond trade. Trade statistics reported from the United Kingdom -- where De Beers and its Central Selling Organisation are located -- only report the provenance of rough diamonds in their statistics. In their figures, imports of stones having transited through Switzerland represent two thirds of all imports into the United Kingdom.

6. The problem within Angola

94. *Lack of meaningful controls within Angola.* The laxity of controls within Angola has also greatly facilitated the smuggling of rough diamonds, including those from UNITA controlled areas. Pending the introduction of new legislation which has been promised, it has been possible for virtually anyone in Angola legally to possess, buy or sell diamonds within the country. Although Savimbi himself apparently preferred to avoid the internal market within Angola, it was clear to the Panel that the wide open nature of the market within Angola would have made it relatively easy for UNITA to "launder" its diamonds through official channels.

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[8] Also known in Antwerp but allowed to operate freely is Jacobus Witteveen -- a Dutch national who was confirmed by several sources to be involved in arms trafficking for UNITA, and who owns a diamond firm in Antwerp named "Afridiam".

95. Within Angola, large numbers of buyers fanned out throughout the country buying diamonds and working as sub-contractors for the five officially licensed buyers. Because most of these sub-contracted buyers operated on a commission basis they had a financial incentive not to worry about where the diamonds were coming from. When the sub-contracted buyer had collected a reasonable quantity of diamonds the stones were transported to Luanda, processed through the legal channels, and exported under official certificates of origin. At this stage it would be impossible to say which diamonds came from diggers working in UNITA controlled areas and which came from diggers working in Government controlled areas – even if such a question had been asked. In fact, a quantity of diamonds coming from UNITA controlled areas (and from which UNITA had already extracted its cut) were undoubtedly sold through official channels. It has also been widely reported that officials on both sides have taken advantage of the lax internal controls within Angola privately to sell diamonds which may have come into their possession.

96. De Beers in London, which is the main buyer of rough diamonds in the world, in 1999 decided to cease buying any Angolan diamonds (except for the production of one particular mine, which De Beers is contractually obligated to purchase). The Panel came across substantial anecdotal evidence that the measures taken by De Beers to ensure that it does not purchase UNITA diamonds directly or from third parties, and De Beers' subsequent withdrawal from the diamond market in Angola have made it more difficult for UNITA to sell its diamonds thereby raising the costs to UNITA and effectively lowering the price that UNITA be able to get.

97. *Promises of reform.* The Government of Angola has now embarked upon a wholesale effort to revamp and restructure virtually all aspects of the diamond mining and diamond trading industry in Angola. New standardised certificates of origin are being introduced which will be harder to forge and easier to verify and keep track of. The Panel welcomes the steps being taken by the Government of Angola to enhance enforcement of the sanctions, and urges that close attention be paid to the implementation of these measures.

98. The Panel also shares the concerns expressed by other diamond producers, particularly in Southern Africa, that international solutions to the Angolan "problem" must not be allowed to drag down an entire global industry, on which these and to a lesser extent other developing and developed countries depend so heavily.

7. Diamonds as a tool for buying friends and supporters

99. UNITA's efforts to use diamonds as a way of winning friends were not limited to the three countries mentioned below, nor did they fall clearly along

linguistic or ideological lines -- a fact that is fully reflected in the body of the report. The Panel received direct first-hand testimony of diamond payments by UNITA to a number of Heads of State in Africa, and in mentioning specific names the Panel has felt constrained to limit its reporting only to those cases in which direct first-hand testimony of such payments is available.

100. *Diamond payments to the former President of Zaire.* As noted above, the Panel's investigations confirm that in addition to the importance of diamonds as a source of revenue for UNITA, diamonds continue to be an important component of UNITA's strategy for acquiring friends and maintaining external support. The Panel received corroborated evidence that Savimbi has used diamonds selectively to buy or to strengthen existing political relations. It is clear, for example, and the Panel received first hand testimony from more than one source that large quantities of diamonds and cash were given by Savimbi to the former President of Zaire, Mobutu Sese Seko, in exchange for favours to UNITA, and also as a means of strengthening their existing "friendship".

101. *Diamond payments to the President of Togo.* The Panel heard testimony from a source close to Savimbi that with the exception of the President of Burkina Faso the UNITA leader regarded his political friendships with African leaders as being essentially business relationships. Certain services were provided and in return certain payments were made. In the case of Togo, the source recalled an incident in October 1998 when Savimbi had refused to pay what had been asked of him by President Eyadema, and Eyadema had as a result refused to allow the release to UNITA of a missile system that had been delivered to the airport at Kara for UNITA, and that was to be sent to Andulo. The matter was a source of considerable tension between the two.

102. UNITA's former representative in Togo, described how on Savimbi's instructions he gave President Eyadema of Togo a "passport sized" packet of diamonds when Eyadema agreed to allow Savimbi's children to come to Togo and be educated there. General Jacinto Bandua testified to having personally handed over packets of diamonds to Eyadema during private meetings between Savimbi and Eyadema. Travelling together with Savimbi, it was Bandua who physically handed Eyadema the diamonds, after other members of the delegation had been asked to leave the room.

103. *Diamond payments to the President of Burkina Faso.* The Panel also received testimony from a large number of sources regarding various payments allegedly made by Savimbi to the President of Burkina Faso, Blaise Compaoré. General Bandua said that he was personally present at a meeting in 1995 when Savimbi and President Compaoré "sealed their friendship". Although President Compaoré is widely regarded as Savimbi's closest and most genuine friend among African leaders, there has nonetheless been a definite financial component to this friendship as well. Indeed, Savimbi often liked to talk to his close associates about

the various "envelopes" he had sent to Compaoré. It is also alleged that in addition to direct personal payments by Savimbi to Compaoré, Savimbi also made substantial contributions to Compaoré's political campaign, and that on at least two occasions Savimbi provided funds for State coffers to help the Burkinabé Government meet critical obligations.

104. *Other allegations.* The Panel is aware of allegations involving other leaders and political figures, but in the absence of further corroborating evidence, the Panel is not now prepared to give these allegations further play or exposure.

8. Diamonds as a means of stockpiling wealth

105. The third component of the importance of diamonds for UNITA, as noted above, is that rough diamond caches rather than cash or bank deposits constitute the primary and the preferred means of stockpiling wealth for UNITA. Because of their very high value, small weight and size, easy marketability, indestructibility and general availability to UNITA – diamond stocks are almost ideally suited to the movement's current operational needs. Indeed, the sheer physical demands of storing, protecting or transporting tens or even hundreds of millions of dollars in cash would make the hoarding of very large sums of cash a particularly unwieldy and undesirable option for UNITA. The easy marketability of UNITA's diamonds also makes the hoarding of cash unnecessary for UNITA. There is also ample evidence regarding Savimbi's clear reluctance to deposit UNITA funds in banks, following the imposition of international financial sanctions against UNITA in 1998. For these reasons, and because of the significant rough diamond stockpiles which UNITA retains, implementation of the sanctions relating to diamonds will continue to be of great importance, irrespective of the degree to which UNITA may or may not now be able to augment those stockpiles through new mining.

B. CONCLUSIONS RELATING TO DIAMONDS

106. The Panel concluded that UNITA's ability to sell its diamonds is based on three key factors. First, is that fact that UNITA has had access to diamond rich territories and has been able to extract diamonds for its benefit. Second, is the easy and protected access which UNITA has to external locations where diamond deals can be transacted. Third, is the ease with which illegal diamonds can be sold and traded on major diamond markets, particularly in the largest diamond market -- Antwerp.

107. The Panel concluded that authorities at the highest levels in Burkina Faso and Rwanda have violated the sanctions prohibiting trade in UNITA diamonds by facilitating meetings between UNITA and diamond dealers from Antwerp, by providing protection for those participating in such transactions, and by facilitating the exchange of UNITA diamonds for cash and/or arms. The Panel concluded that South Africa was also a place where transactions occurred, including transactions

in UNITA diamonds, but that such activities were not conducted with the support or participation of the Government of South Africa.

108. The Panel also concluded that the lax controls and regulations governing the Antwerp diamond market facilitate and perhaps even encourage illegal trading activity. The Panel noted the apparent inability or unwillingness of the responsible authorities in Belgium effectively to police the smuggling of illegal Angolan diamonds onto the market there. The Panel also concluded that lax controls within Angola have facilitated diamond smuggling in that country, including the passage of diamonds from UNITA controlled areas into official channels. The Panel welcomed the steps being taken by the Government of Angola to enhance enforcement of the sanctions, and urged that close attention be paid to the implementation of these measures.

C. RECOMMENDATIONS RELATING TO DIAMONDS

109. *Recommendation 13.* In order to discourage diamond smuggling and sanctions busting, forfeiture should be provided for where the legal origin of rough diamonds cannot be established by the possessor. Forfeiture penalties should include any collateral assets associated with the suspect diamonds.

110. *Recommendation 14.* In order to add credibility and seriousness to sanctions resolutions and restrict UNITA's capacity to evade the sanctions, Member States of the United Nations should apply sanctions against individuals and enterprises discovered to be intentionally breaking United Nations sanctions relating to UNITA diamonds. Traders and other individuals or companies found to be breaking the sanctions should lose their registration, be placed on an industry "blacklist" and barred from any involvement in the diamond industry worldwide, and be made subject to criminal sanctions in Member States. Additional measures might include denying entry to such individuals in countries hosting important diamond marketing centres.

111. *Recommendation 15.* In order to diminish the capacity of UNITA to exploit the international diamond market in Antwerp, the responsible government and industry authorities should be invited to work with the Sanctions Committee to devise practical measures to limit UNITA's access to legitimate diamond markets. To avoid traders simply taking their business to another market, periodic checks should be made in India, Israel, the United Kingdom and the United States.

112. *Recommendation 16.* Due to the unlimited opportunities it affords for diamond smuggling and other sanctions busting activities, the Panel recommends that dealing in undeclared rough diamonds be declared a criminal offence in countries hosting important diamond marketing centres.

113. *Recommendation 17.* It is recommended that a conference of experts convene for the purpose of determining a system of controls that would allow for increased transparency and accountability in the control of diamonds from the source or origin to the bourses. Of particular concern is the need to develop mechanisms for identifying within the diamond market, those diamonds that may have been brought into diamond centres without a customs declaration, including the establishment of a comprehensive database on diamonds characteristics and trends.

114. *Recommendation 18.* The Panel recommends that the diamond industry develop and implement more effective arrangements to ensure that its members worldwide abide by the relevant sanctions against UNITA.

IV. SANCTIONS BUSTING ON UNITA FINANCES AND ASSETS

115. Security Council resolutions require the freezing of all funds and financial resources of UNITA and of its senior officials and their adult family members as designated by the Sanctions Committee dealing with Angola. Member States are required to ensure that such funds and financial resources are "not made available directly or indirectly to or for the benefit of UNITA as an organisation or of senior officials of UNITA or adult members of their immediate families" (resolution 1173 of 12 June 1998).

A. FINDINGS RELATING TO UNITA FINANCES AND ASSETS

116. The Panel's investigations into the funds and financial resources of UNITA and its senior officials was hampered by bank secrecy laws that prevail in many countries, and by the ease with which financial assets can be hidden from national and international regulatory authorities. Despite these limitations, the Panel was able to develop a good picture of how UNITA assets and financial resources are held and managed, together with direct evidence of specific sanctions busting activities related to finances.

1. The sources of UNITA's financing

117. The Panel's investigations confirm that diamonds have been and continue to be the main source of UNITA's wealth and the primary source of its funding. It was also learned however, that significant amounts of money were made by UNITA in the form of landing fees charged for aircraft bringing in food, medicines, clothing, mining equipment and other commercial commodities. These "taxes" ranged from US$2,000 to US$5,000 and were collected from the crews on the spot. In 1996-1997 when commercial activity was probably at its peak, UNITA may have earned as much as US$5 million per month from taxes and other commercial levies collected within its areas.

2. How UNITA holds its assets

118. It is clear from the Panel's investigations of UNITA's activities that the organisation's assets have largely been kept in the form of rough diamonds, which are controlled by Savimbi personally and released by him to key UNITA officials – political and military – for the procurement of weapons, food, medicines and other necessary commodities, as well as for the payment of salaries and stipends for senior UNITA personnel and their families living abroad and for political favours. When cash is needed by UNITA, the required quantity of diamonds are packaged and sold. The proceeds are then used as required, sometimes including transfers to UNITA officials or representatives abroad who may deposit the money in banks for short periods of time in order to complete a particular transaction.

119. As already noted there is substantial evidence pointing towards UNITA's general aversion for banks and normal banking channels, and its efforts to minimise its exposure to financial sanctions. However some evidence was also uncovered of the use of bank accounts and credit card facilities by senior UNITA officials and others on the organisation's behalf, though these generally appear to be linked to specific requirements or to the need to facilitate particular transactions – monthly payments for communications lines or the purchase of satellite communications equipment, for example.

3. Efforts by UNITA to circumvent the financial sanctions

120. The Panel heard testimony that in an effort to avoid the impact of the financial sanctions that were due to be imposed upon UNITA by the Security Council, Savimbi instructed that UNITA's funds be withdrawn from banks and other financial institutions where assets might be seized. Subsequently, increased emphasis was placed on the use of packaged rough diamonds as a medium of currency and exchange for UNITA. In addition, relatively small but nonetheless significant sums of money were deposited with a handful of friends, trusted supporters and key UNITA representatives abroad.

121. The Panel received credible direct evidence that US$5 million in cash was deposited by Savimbi with President Eyadema of Togo as a means of circumventing the financial sanctions against UNITA. The Panel also learned that when UNITA experienced a temporary cash crisis in February 1999 (probably due to difficulties in arranging satisfactory diamond sales), President Eyadema personally provided money for the needs of Savimbi's family in Togo – in violation of the UN sanctions. The money was later reimbursed when the cash crisis abated.

122. The Panel also received credible evidence that Savimbi arranged for money to be deposited with the former President of Côte d'Ivoire, Henry Konan Bedié, to be used for UNITA purposes and for the upkeep of Savimbi's immediate and extended family in Côte d'Ivoire. The risks and hazards for Savimbi of depositing money with his political "friends" was clearly demonstrated by the experience with Presidents Eyadema and Bedié however, both of whom were subsequently accused by Savimbi of having stolen some of the money. In the case of Bedié, the accusations led to a serious personal rift between the two, and a downgrading of Ivoirean support for UNITA.

123. The Panel also learned that in 1995 Savimbi had placed US$250,000 with Carlos Furtado, UNITA's representative in Morocco, and that this amount had been increased by subsequent payments. Savimbi communicated instructions to Furtado regarding the use of these funds as needed. The initial deposit was known to at least some senior Government officials in Morocco, but occurred prior to the imposition of financial sanctions against UNITA. It is unclear however, what if any action has subsequently been taken by the Moroccan authorities to trace, track down or freeze these assets. Evidence collected by the Panel indicates that some UNITA representatives in other countries also control financial resources on UNITA's behalf.

B. CONCLUSIONS RELATING TO UNITA FINANCES AND ASSETS

124. The Panel concluded that for practical as well as logistical reasons the bulk of UNITA's assets are retained in the form of rough diamonds which are packaged and sold as needed, with the proceeds sometimes going to UNITA officials or representatives abroad who may deposit the money in banks for short periods of time in order to complete or facilitate particular transactions.[9] For the purchase of very high value items such as weapons, arms brokers accepted payment in diamonds after the value had been agreed between the experts on each side. Nonetheless, a network of banks, financial institutions and money managers continue to be connected with UNITA and its representatives and suppliers, and to be used by them for important though limited purposes.

125. The Panel concluded that President Eyadema of Togo and deposed President Bedié of Côte d'Ivoire aided UNITA in trying to circumvent the sanctions on financial assets imposed by the Security Council. The Panel concluded that UNITA representatives in a number of countries were in control of financial assets on behalf of the organisation, and the Panel specifically noted the apparent absence of any action by Morocco to track down or freeze UNITA assets that had been transferred to that country with the knowledge of Moroccan officials prior to the imposition of financial sanctions by the Security Council.

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[9] The Panel will provide to the Sanctions Committee information collected on particular banks, bank accounts and credit cards that may have been used to facilitate UNITA's operations, so that appropriate follow up investigations may be conducted.

C. RECOMMENDATIONS RELATING TO UNITA FINANCES AND ASSETS

126. *Recommendation 19.* In recognition of the fact that UNITA's diamond assets were illegally stripped from the country and unlawfully expropriated by UNITA for its own benefit, the Security Council should encourage Member States to make provision for the forfeiture of UNITA-controlled assets whose provenance cannot be traced to a lawful source. The seized and forfeited assets should be used to benefit the people of Angola.

127. *Recommendation 20.* In order to facilitate and encourage serious implementation of the financial sanctions imposed against UNITA, a substantial bounty or "finders' fee percentage" could be given to any institution, non-governmental organisation or individual that traces, tracks down and identifies UNITA assets that are subject to sanction.

128. *Recommendation 21.* The Panel noted the limited though at times important use made by UNITA of banks and financial institutions to facilitate certain types of payments and transactions. The Panel recommends that banking procedures be developed to facilitate the identification of individuals covered by sanctions, and the freezing of assets.

V. SANCTIONS BUSTING ON UNITA REPRESENTATION AND TRAVEL ABROAD

129. Security Council resolutions prohibit "the entry into or transit through their territories of all senior officials of UNITA and of adult members of their immediate families" as designated by the Sanctions Committee dealing with Angola (resolution 1127 of 28 August 1997, and subsequent resolutions). Also prohibited, with certain specifically limited exceptions, are "all official contacts with the UNITA leadership in areas of Angola to which State administration has not been extended" (resolution 1173 of 12 June 1998). Member States of the United Nations are required to "suspend or cancel all travel documents, visas or residence permits issued to senior UNITA officials and adult members of their immediate families" as designated by the Sanctions Committee dealing with Angola (resolution 1127 of 28 August 1997, and subsequent resolutions).

A. FINDINGS RELATING TO UNITA REPRESENTATION AND TRAVEL ABROAD

130. In accordance with its mandate, the Panel investigated the implementation of the sanctions imposed by the Security Council requiring the closing down of UNITA representation offices abroad, and imposing a ban on travel by senior UNITA officials and adult members of their immediate family. The Panel examined compliance with both the letter and the spirit of the sanctions imposed by the Council.

1. Why the representation and travel sanctions are important to UNITA

131. Having examined in detail all aspects of UNITA's military and strategic procurement, its diamond dealings and its financial operations – the Panel developed a clear appreciation of the very close links between these vital aspects of UNITA's operations and the ability of UNITA personnel to travel and conduct UNITA business abroad. As an organisation UNITA conducts most of its business through direct personal contacts. This is in part a function of the clandestine activities in which UNITA is engaged, but also a function of the operational style of its leader, as well as the particular circumstances in which UNITA finds itself. Because few of UNITA's partners can easily get to UNITA's headquarters in Angola, UNITA's ability to maintain personnel and offices abroad and to send senior people when necessary is therefore critical to how well and effectively the organisation is able to operate. The ability of UNITA leaders to send their families abroad and to provide there for their safety, education and comfort is also a matter of particular significance and concern to the leadership of the organisation, and a very direct way of getting their attention.

2. How UNITA offices abroad operate

132. The Panel's investigations revealed that there were now essentially two types of UNITA Representation Offices abroad. The first type of representation office generally operates with the blessing of the host country authorities, and usually under the personal protection of the Head of State. This pattern is prevalent for UNITA in a number of African states. The second type of representation office operates with the knowledge of the host country but not necessarily with its blessing, and primarily for the purpose of cultivating non-governmental support within the host country or facilitating important political or commercial activities there. This pattern is most prevalent for UNITA in Europe and North America. In both cases however, it was clear that whenever anyone abroad spoke on behalf of UNITA, they first cleared what they were going to say with Savimbi.

133. *Offices operating with direct support of the host country authorities.* UNITA offices operating with direct support of the host country fill an especially important role for UNITA, by allowing it to have access to the broader international community, and as a consequence to receive the supplies and

material support that the organisation requires. In the case of UNITA's office in Zaire (prior to the overthrow of Mobutu), Savimbi emphasised to his representatives there the importance of their mission, observing that UNITA's organisational efforts could not succeed if they did not have a country that would provide them with a base.

134. According to UNITA's former representative in Togo, UNITA's operational philosophy with respect to its foreign missions was to look for and work through persons attached to the President, and not to work through Ministers. He explained that it was not a classic diplomatic set-up, but more of an undercover operation. In Togo the contact person was a Minister in the Presidents Office. Savimbi's children in Togo were likewise directly under the protection of the President and the presidential guard, and when they wanted to travel they were required to inform the head of the presidential security forces in advance. Based on evidence collected by the Panel, the same pattern of representation exists in Burkina Faso and Côte d'Ivoire.

135. *Offices operating without direct support of the host country authorities.* A number of UNITA offices operate in various locations without the support of the host country, though rarely without its knowledge. Often these offices are operated by the same individuals who formerly served as the UNITA representative, and sometimes also from the same premises. In many cases these offices play key roles in procurement for UNITA, in addition to their role as lobbyists and partisans for the organisation. Typical of these types of offices are the office in Belgium, which is connected to UNITA's diamond interests; the office in Portugal which acts as a link with various Angolan and Portuguese interests in the country; the office in New York, which lobbies on behalf of UNITA and monitors developments at the United Nations; the office in France which sustains important commercial links for UNITA; and the office in Switzerland which has in the past been an important source of medical supplies for UNITA.

3. What UNITA's representatives abroad do

136. UNITA's representatives in a country may perform a broad range of functions, depending on UNITA's relations with the host country. Their main tasks are to organize financial and logistics operations, to legalise business operations, to maintain a link with local Angolans and other supporters, and to mobilise and fund local lobbies. In countries where the UNITA offices operate with the direct support of the Head of State, the office also serves as a link between Savimbi and the Head of State, generally facilitating UNITA's activities and operations in the country concerned. The Panel also confirmed that in many cases the UNITA representative receives and spends money on UNITA's behalf for goods or services required by the organisation. Some of the "representatives"

are involved in UNITA's diamond selling activities – including Karriça (through Burkina Faso) and Furtado (based in Morocco).

4. How UNITA personnel travel

137. Despite sanctions in place that bar travel by senior UNITA officials and adult members of their immediate families, the Panel found that senior UNITA officers can and do travel frequently and to many locations. In the case of Savimbi himself, travels are arranged by the Governments concerned. In the case of other UNITA officials travel is facilitated by passports issued to those individuals – in some cases under false names. The Panel has confirmed that senior UNITA officials and persons on the list of those prohibited from travelling were issued passports by the governments of Togo, Côte d'Ivoire and Burkina Faso. In quite a few cases of which the Panel is aware, diplomatic and official or special passports were issued by these three countries to the individuals concerned. It should also be noted however, that many countries face difficulties in identifying prohibited persons travelling with valid documents under false names. European Union countries also face particular difficulties in trying to detect and then restrict the movements of persons between member countries once they have entered the European Union.

138. In some cases, particularly with respect to travel to South Africa, due to the large number of airfields there, for example, UNITA officials often do not go through normal immigration channels. Instead, they fly into the country illegally and simply go about their business.

5. The key UNITA representation centres abroad

139. Among the various UNITA offices abroad, a number have particular importance for UNITA. The following are the most important (listed alphabetically):

140. *UNITA representation and travel activities in Belgium.* Belgium is regarded by UNITA as an important representation centre because of the country's role as a centre for the diamond trade, as well as being a place of contact for international arms dealers. The "unofficial" UNITA representative in Belgium is Azevedo de Oliveira Kanganje, and he is reported to be in regular telephone contact with Savimbi. Kanganje's right hand man, and the organisation's spokesman in Belgium is said to be Manuel Zinga. The officer responsible for finances and commercial activities in Belgium and a key figure in the organisation there is Rogeiro Teca. Teca is involved in the exchange of diamonds for arms and has close connections to diamond and arms traders.

141. *UNITA representation and travel activities in Burkina Faso.* Burkina Faso serves as a de facto base of operations for UNITA's external activities in Africa. As noted above, the authorities in Burkina Faso provide direct support to UNITA's operations in the country by allowing UNITA officials to travel freely in and out of the country, by providing official protection and a safe haven for transactions between UNITA and diamond buyers from Antwerp and elsewhere, and by issuing passports to UNITA officials. Ouagadougou serves as the base of operations for the central figure in UNITA's external procurement and diamond trade operations – Marcelo Moises Dachala, known as "Karriça". It is also the base for Helder Mundombe (known as "Boris"), one of Savimbi's most trusted Lieutenants. The "unofficial" UNITA representative in Burkina Faso is João Baptista Rodrigues Vindes.

142. *UNITA representation and travel activities in Côte d'Ivoire.* Côte d'Ivoire has traditionally been a place where UNITA could operate officially and freely. UNITA officials continue to have relatively free access to the country, Savimbi has a number of children and close relatives based there, and many senior UNITA officials and their families were issued with Ivoirean passports, including diplomatic passports. In recent years however, due to a falling out between former President Bedié and Savimbi, some of the country's traditional support for UNITA has been scaled back. In particular, the "unofficial" UNITA office, which is now headed by David Kokelo, no longer functions openly although nearly all of the key UNITA personnel there remain in place. The ousted Ivoirean authorities had informed the Panel that the Ivoirean passports of UNITA officials would not be renewed when their current term expired. However, the current military leadership in Abidjan is said to be close to Savimbi and very sympathetic to UNITA. UNITA supporters have reacted very positively to the arrival of the new regime.

143. Also still present in Côte d'Ivoire is UNITA's former official representative there, Jorge (John) Marques Kakumba -- a long-time friend and associate of Savimbi. Kakumbo's wife is from a very prominent Ivoirean family and he is well known and highly visible in Abidjan government and social circles. Kakumba is said now to play the role of a sub-regional representative for UNITA, and to travel regularly to Ouagadougou on UNITA business. Kakumba is also said to control a company called Vansco Air Freight that is alleged to be a UNITA front company involved in the transport of arms and other equipment to UNITA. The Panel was unable fully to confirm the information relating to Vansco Air Freight, but believes that future investigation is warranted.

144. *UNITA representation and travel activities in France.* UNITA attaches particular importance to its representation in France. The "unofficial" UNITA representative in France is said to be David Jorge Marcelino Sanguende. The former official office of UNITA was transformed into the Center for Political and Economic Studies for Development of Angola (CEPEDA), and afterwards into the

African Cultural Association in France. Despite the change, the same staff are said to occupy the same offices. Savimbi is said to be in close and frequent telephone contact with Sanguende, but also to have placed Adelio Chiteculo Kapanda in a position to assist Sanguende and monitor his activities. Savimbi is known to have at least five children in France, a number of whom are said to be at university there. This information is known to the French authorities. UNITA's coordinator for European offices, Isaias Samakuva, remains in Paris and is reported to be active in UNITA affairs. Samakuva travelled to France on an official passport issued by Côte d'Ivoire that has now expired. Samakuva's request for political asylum was officially denied, and the deportation order issued by the French authorities is now on appeal and awaiting final judgement by the French courts.

145. *UNITA representation and travel activities in Gabon.* UNITA's "unofficial" representative in Gabon is reported to be Francisco Camalata, who was said to be active but keeping a low profile.

146. *UNITA representation and travel activities in Namibia.* UNITA is not known to maintain a representative in Namibia, but it is apparent from information available to the Panel that UNITA personnel make use of Namibian territory to carry out UNITA related activities – without the knowledge of the Government of Namibia. These activities include diamond smuggling and diamond trading, as well as the procurement of fuel, medicines and other commodities. For this purpose, an unofficial network of operatives is said to be active in Namibia. During the course of its investigations, the Panel presented the Government of Namibia with a list of suspect names, requesting information about the whereabouts, activities, and status of these individuals, all of whom were believed to be UNITA officials active in Namibia. The Panel regrets to report that the Government of Namibia did not respond to the Panel's request for information on this subject.

147. *UNITA representation and travel activities in Portugal.* Portugal closed UNITA's official representation office in 1998, but the activities of the office are said to continue under the cover of an organisation known as the Center for Development and Democracy in Angola. UNITA's former official representative in Lisbon is now the "unofficial" UNITA representative in Lisbon, Isaac Wanbembe. He is assisted by Carlos Morgado, Rui Oliveira and a student named Jose Pedro Kachiungu. Kachiungu is said to be trusted by Savimbi and to be in personal contact with him. Also important in Portugal is Ms. Fatima Roque (a Portuguese national and Savimbi friend), who is alleged to control funds on UNITA's behalf. Because of its close ties to Angola and large Angolan community, Portugal remains a key country for UNITA in terms of mobilising political support, and also a source of commercial and logistical support.

148. *UNITA representation and travel activities in Rwanda.* Rwanda is also a place where UNITA personnel have become active in recent years, particularly in relation to diamond trading and arms brokering. UNITA is not known to have a representative office in the country, but UNITA operate with the knowledge and protection of Rwandan authorities including persons in the intelligence and security establishment. Key UNITA personnel appear to have easy and regular access to the country, and Karriça is known to have travelled regularly and frequently to Kigali during the past 18 months. The Vice-President of UNITA, General Antonio Dembo is also reported to have been in Rwanda on several occasions in recent months, and together with other senior UNITA leaders to have met with senior Rwandan officials in August 1999 in Kigali.

149. *UNITA representation and travel activities in South Africa.* UNITA is not known to have a representative office in South Africa. However, it appears from information available to the Panel that many UNITA personnel appear to have access to the country to carry out UNITA related activities – often without the knowledge of the South African Government. Karriça -- who as noted above is the central figure in UNITA's external procurement and diamond trade operations – is reported to travel to South Africa on a regular basis. The easy access of UNITA personnel to South Africa is at least in part due to the large size and open nature of the country. However, senior UNITA officials claim to have been received by South African government officials subsequent to the imposition of Security Council sanctions prohibiting such contacts, and South African nationals with political connections were said to have been received in Andulo in August 1999. The Government of South Africa has undertaken to work to strengthen detection mechanisms in order to be better able to restrict the movements and activities of UNITA personnel in that country.

150. *UNITA representation and travel activities in Switzerland.* UNITA maintains a "unofficial" representative in Switzerland, who is Mr. João Vaihekeny. Vaihekeny lives in La-Tour-de-Pelz, near Lausanne, and has acquired Swiss citizenship. Vaihekeny remains in regular contact with other UNITA representatives and when necessary with Savimbi. In the past Vaihekeny has played a key role in obtaining medicines from Switzerland for UNITA – an item that is of particular significance for UNITA in terms of morale, and that affects order and discipline within its ranks.

151. *UNITA representation and travel activities in Togo.* Togo provides a safe haven for Savimbi's family and for family members of other senior UNITA officials. UNITA officials are free to come and go as they please, and Togo has provided passports to many senior UNITA officials and others on the sanctions list of persons who are prohibited from travelling. As noted above, the authorities in Togo provide direct support and protection for UNITA's affairs in the country, and these activities are controlled directly out by the office of the President of

Togo. The "unofficial" UNITA representative in Togo is Joaquim Ernesto Mulato.

152. *UNITA representation for the United Nations.* UNITA personnel monitor developments at the United Nations and lobby on behalf of UNITA at the United Nations and elsewhere. The Panel was informed that Marcos Samondo is UNITA's principal "unofficial" representative for the United Nations, but that Jaime Vila-Santa may also play a role.

153. *UNITA representation and travel activities in the United States.* The Panel learned that the "unofficial" UNITA representative in the United States is Domingos Jardo Muekalia, who had previously served as Press Secretary before UNITA officially closed its office in Washington. Muekalia is said to have a "green card" and to be in business. The Panel learned that Savimbi was in regular contact with Muekalia, who implements UNITA's programme in the United States – doing so in the guise of organisations called the Center for Democracy for Angola and American Friends for Democracy in Angola.

154. *UNITA representation and travel activities in Zambia.* Evidence suggests that UNITA personnel are present in Zambia and that they maintain their presence in that country with the knowledge and protection of the Zambian authorities. UNITA's senior resident official in Lusaka is said to be Gabriel Seyuva, and his Deputy is reported to be Eduardo Chali, however the Panel has not been able independently to confirm this information. It is apparent from the Panel's investigations that senior UNITA leaders have been able to travel in and out of Zambia with little difficulty. The Director General of the Zambia Security Intelligence Service, Mr. Xavier F. Chungu, is confirmed to have had regular and frequent contact with Helder Mundombe (known as "Boris") – a senior UNITA official and trusted Lieutenant of Savimbi who works closely with Karriça in trading diamonds and obtaining supplies for UNITA. The Panel is aware of numerous allegations linking Mr. Chungu and other Zambian officials to UNITA sanctions busting, and the Panel is of the view that some of these allegations are credible and require further investigation. The Panel has also confirmed that a senior UNITA delegation, led by the Vice-President of UNITA and also including UNITA's Secretary for Foreign Affairs was received by very senior Zambian Government officials in August 1999. Savimbi himself is reliably reported to regard good relations with Zambia as an essential support for UNITA. However, following thinly veiled threats of retaliatory action by the Angolan Government and a serious escalation in tensions between the two States, there has in recent months been a perceptible lessening of perceived sanctions busting activities from Zambia and a corresponding increase in cooperation between the two countries at the working level.

B. CONCLUSIONS RELATING TO UNITA REPRESENTATION AND TRAVEL ABROAD

155. With respect to UNITA representation abroad, the Panel concluded that while UNITA no longer operates formal "Embassies", UNITA personnel still conduct business on the organisation's behalf and actively look after its interests through unofficial offices or other arrangements. The Panel concluded that a number of countries provided actual support and protection for UNITA representatives and easy access for senior UNITA officials wishing to travel there. These countries were identified as Burkina Faso, Togo, Côte d'Ivoire, Zambia and Rwanda. In a number of other countries UNITA is able to maintain an "unofficial" representative presence with the knowledge but without the direct support of the host government. These countries include the United States, France, Belgium, Portugal, Switzerland and South Africa.

156. With respect to travel, the Panel concluded that a number of countries have disregarded the Council's ban on travel by senior UNITA officials and members of their immediate families. The worst offenders were identified as Burkina Faso, Togo and Côte d'Ivoire -- all of whom facilitated the travel of persons prohibited by the sanctions from travelling, while Rwanda, Zambia and South Africa were also found to have lax or selective enforcement. A number of countries were either unable for legal reasons or unwilling to prevent senior UNITA officials and/or adult members of their immediate families from residing in or transiting their territories. These countries include in particular Belgium, France and Portugal – all of which continue to be regularly visited by senior UNITA officials and/or provide a haven for Savimbi's children and those of other senior UNITA leaders.

C. RECOMMENDATIONS RELATING TO UNITA REPRESENTATION AND TRAVEL ABROAD

157. *Recommendation 22.* In order to add credibility and seriousness to sanctions resolutions, the Security Council should apply sanctions against Governments found to have been intentionally breaking the sanctions relating to UNITA representation and travel abroad. Sanctions on identified sanctions busters might include requesting all Member States to revoke any special travel, diplomatic or passport recognition privileges accorded to countries found to have issued passports to senior UNITA officials or other prohibited persons in violation of United Nations sanctions. Member States could also be asked to impose visa requirements on nationals of the countries concerned, where those requirements do not already exist.

158. *Recommendation 23.* Governments that have issued passports to UNITA officials and members of their families should be reminded of their existing obligation to revoke these passports, and asked to report to the Sanctions Committee on the status of their efforts in this regard.

159. *Recommendation 24.* In view of the key role in UNITA's illegal diamond trading and arms negotiating activities played by Marcelo Moises Dachala (known as "Karriça"), a warrant for the arrest of this individual should be issued by the Government of Angola and other Member States having jurisdiction, and INTERPOL should be asked to co-ordinate an international response. This action should be accompanied by the maximum possible publicity, and Karriça's apprehension should be regarded as a top international law enforcement priority.

160. *Recommendation 25.* In light of the findings of the report, the status of senior UNITA officials and representatives residing abroad should be re-examined by the countries concerned, with a view towards the immediate expulsion of those persons found still to be actively engaged in UNITA's military or political affairs, including procurement for UNITA. Governments should be asked to provide the Sanctions Committee with progress reports on their efforts fully to implement the sanctions.

161. *Recommendation 26.* In cooperation with the Government of Angola, the list of UNITA's senior officials and adult members of their immediate family, subject to such travel restrictions should be updated and corrected as a matter of urgency. Information collected by the Panel on the individuals concerned is being made available to the Sanctions Committee, including in some cases photographs and additional biographical information that may help police and immigration officials in implementing the sanctions more effectively. The Panel recommends that the list also be expanded to include foreign individuals closely collaborating with UNITA and providing assistance to it, including those "unofficial" representatives mentioned in paragraphs 140 to 154.

162. *Recommendation 27.* The Panel recommends that the Security Council encourage all countries that have not yet done so to give full legal effect to the travel and representation sanctions approved by the Council.

VI. RELATED MATTERS

A. THE ROLE OF TRANSPORT IN SANCTIONS BUSTING

163. Early on in its investigations, the Panel became aware of the critical role played by cargo transportation companies in supplying UNITA, particularly by air. With the approval of the Sanctions Committee, the Panel commissioned a study on UNITA's transportation support network.[10] The preliminary results that were provided to the Panel confirm the importance of UNITA's air transport network relative to its overall procurement scheme.

[10] The study was undertaken by Mr. Johan Peleman a Belgian consultant.

164. *Air transport as a lifeline for supplies to UNITA.* In UNITA's particular geographical circumstances air transport provides an essential and irreplaceable lifeline for the supply to UNITA of arms, ammunition and other types of military equipment, fuel, medicine and other commodities. Private air transport also provides the means by which senior UNITA officials have been able to bring diamonds from Angola to international markets, and the way for envoys to travel between Savimbi and his external collaborators. Both of these activities are facilitated by the ready availability of aircraft operating from different locations, and by the willingness of many aircraft operators to undertake almost any mission for the right amount of cash.

165. A number of the key figures in UNITA's transportation support network have already been mentioned in the report, including Jacques "Kiki" Lemaire, Victor Bout (Air Cess/Air Pass), and Johannes Parreira (Interstate Airways). However, quite a number of air cargo companies, and an even larger number of individuals have at various times played a role in the supply of sanctioned commodities to UNITA. Links to conflicts in other areas, as well as to organised crime have also been observed. Identifying and curtailing these efforts should be a major priority for any follow up action decided upon by the Council.

166. *Physical assets that are visible and that can be tracked and seized.* In addition to their importance in the overall UNITA supply scheme, air cargo and transport provide a good target for sanctions enforcement efforts because they involve physical assets that can be spotted, tracked and seized. The seizure in Lusaka of a cargo plane believed to have UNITA supply connections has undoubtedly had some economic impact on the owners of the plane, and a chilling effect on the activities of others. The imposition of additional measures recommended by the Panel such as the forfeiture of planes and other assets caught in sanctions busting activities would put even more pressure on UNITA and its partners and significantly drive up the cost of doing business for UNITA. Indeed, the Panel heard evidence from the director of the control tower at Andulo that there had been a considerable decline in the number of planes flying into Andulo after a plane bringing in mining equipment had been seized by Government forces near Menongue, in mid 1999.

167. *International air transport creates a paper trail.* In the context of efforts to investigate sanctions busting and identify those involved, the transportation of international air cargo also has the promising advantage of creating a paper trail. Loading and unloading of cargo, getting clearances at borders, registering planes and ships, acquiring cargo insurance, obtaining landing rights at international ports or airports, and getting authorisation to move military equipment across international borders all require a certain amount of paperwork and documentation. With adequate time, resources and cooperation the trail can be followed and sometimes even reconstructed -- even when false documentation is provided or efforts are made by the operators to avoid radar detection.

B. THE SHOOTING DOWN OF THE UN AIRCRAFT

168. Although not directly within its mandate, the Panel is obliged to inform the Security Council that during the course of the interviews that took place in Luanda with various senior defectors from UNITA, direct evidence was presented by two interviewees that UNITA was responsible for the shooting down of two United Nations aircraft – the first in December 1998 and the second one week later in January 1999. Lieutenant Colonel Jose Antonio Gil, who as the director of the control tower in Andulo had responsibility for monitoring such activities, informed the Panel that the two aircraft had both been shot down by an IGLA surface to air anti-aircraft missile. He further stated that UNITA had standing orders from Savimbi to shoot down all United Nations aircraft, because Savimbi believed the UN was working together with the Government of Angola. Savimbi was reported to have expressed the hope that such actions would encourage the UN to withdraw from Angola. Lt. Col. Gil also informed the Panel that after the incident, Savimbi had given orders that UN personnel were not to be allowed to investigate the crash site, that the bodies should be removed and buried a distance away, and that the crash site should be camouflaged so that it would not be spotted from the air. According to Lt. Col. Gil, the same instructions were provided with respect to both incidents.

169. General Jacinto Bandua, who was then Acting as Chief of General Staff, told the Panel that he received the information regarding the shooting down of the planes "within fives minutes of the event", and that he immediately informed Savimbi. According to General Bandua, Savimbi was pleased by the downing of the two aircraft, and said that it was "a way of pressuring all those who were working with the UN so that they would quit". General Bandua confirmed that Savimbi gave orders that the UN was not to be allowed to investigate, that the bodies should be buried far away from the wreckage, and that the site should be camouflaged. General Bandua also confirmed that Savimbi had given "specific orders" to UNITA soldiers to shoot down any and all UN aircraft.

C. RECOMMENDATIONS ON RELATED MATTERS

170. *Recommendation 28.* The Panel recommends that SADC consider the introduction of mobile radar systems that can be rapidly deployed in the sub-region for the purpose of detecting illegal flight activities across national borders. If decided upon by SADC, the project should receive all possible support and assistance from the international community.

171. *Recommendation 29.* In line with possible developments in other regions, the Panel recommends that SADC give consideration to the establishment of an air traffic regime for the control of regional air space, rather than on a per country basis. If decided upon by SADC, the project should receive all possible support

and assistance from the international community, including technical assistance from ICAO and/or IATA.

172. *Recommendation 30.* The Panel recommends that the evidence relating to the shooting down of the two United Nations aircraft be brought to the attention of the judicial authorities in countries whose nationals were killed in the crash.

173. *Recommendation 31.* The Panel supports the recommendation made by the Chairman of the Sanctions Committee (S/1999/644) that Member States geographically close to Angola should take immediate steps to enforce, strengthen or enact legislation making it a criminal offence under domestic law for their citizens or other individuals operating on their territory to violate sanctions imposed by the Security Council against UNITA. The Panel also recommends that Member States involved in the supply of arms to African countries also take such steps, where they have not already done so, and that enforcement of such measures be made a high law enforcement priority. The results of all prosecutions or investigations of violations should be reported to the Sanctions Committee. Any pilots prosecuted for sanctions busting should face permanent loss of certification, as well as incarceration.

174. *Recommendation 32.* The Panel recommends that formal links and regular collaboration be established between the United Nations and regional or other organisations (such as INTERPOL) that may be involved in sanctions monitoring or enforcement activities.

175. *Recommendation 33.* The Panel recommends that the Security Council develop a "Sanctions Information Package" with respect to a particular set of sanctions imposed by the Council, including a website. This process could also be accompanied by a broader mass media public information campaign designed to educate the public at large on the sanctions by explaining the nature of the sanctions and their ultimate objective. Greater public awareness of the sanctions and their purpose would likely result in more information on sanctions busting activities being provided to national and international bodies by members of the public and others with relevant information. The Panel recommends that a special information effort be made when this report is presented to the Council or after the decision of the Council. It is of particular importance that the information in the report be made public and available in countries which are mentioned in the report.

176. *Recommendation 34.* The Panel would like to reiterate that Member States, particularly those possessing significant capacity for intelligence-gathering, should be encouraged to make any new information on the violation of Council-imposed sanctions against UNITA available to the Sanctions Committee and/or encouraged to make the collection of such information a priority.

177. *Recommendation 35.* The Panel recommends that special consideration be given by the Council to the question of the provision of medical supplies to UNITA, consistent with humanitarian principles, and bearing in mind the largely military use by UNITA of these supplies. As with other sanctions regimes imposed by the Security Council, prior approval could be required for any such deliveries. The Council will still have to ensure that diamonds and other contraband are not exported from UNITA territory by the same means that medical supplies are delivered.

178. *Recommendation 36.* The Panel recommends that the Security Council compile and distribute a "Blacklist" or "Watchlist" of individuals and commercial entities involved in UNITA sanctions busting.

179. *Recommendation 37.* In order to encourage compliance with Security Council resolutions relating to sanctions against UNITA, the Panel recommends that the Security Council apply appropriate sanctions against Governments found to have been intentionally breaking the sanctions. In addition to other measures recommended by the Panel, additional measures which the Council should consider include: i) formally declaring the offending countries to be sanctions breakers; ii) discouraging Member States from supporting the candidacies of nationals from listed countries for senior positions within the United Nations system until the listed countries are declared to be complying with the sanctions; iii) a ban on the holding of United Nations conferences or meetings in the listed countries until they are declared to be complying with the sanctions; iv) discouraging other international organisations from holding conferences or meetings in the listed countries, or electing the country concerned as Chairman in office of any organisation.

180. *Recommendation 38.* The Panel recommends that copy of the report and recommendations of the Panel be forwarded to the Chairman and Secretary-General of the Organisation of African Unity, and to the Chairman and Secretary-General of the Southern African Development Community.

181. *Recommendation 39.* The Panel recommends that the Chairman of the Sanctions Committee be asked to report to the Security Council on actions taken to follow up on the conclusions and recommendations contained in this report. The Panel also recommends that the Council ensure that it is able to monitor closely the further implementation of the sanctions as well as follow up on information collected by the Panel where it was unable to complete its investigations. If necessary, a monitoring mechanism – in addition to the Sanctions Committee -- should be established.

CONCLUSION

182. It is clear from information received by the Panel during the course of its investigations that the active efforts of Ambassador Robert Fowler, together with recent actions taken by Governments and efforts by non-governmental organisations and others have already made it harder for UNITA to sell its diamonds, and more expensive for UNITA to acquire arms and military equipment as a result of the increased risks of exposure to its suppliers and transporters. It is hoped that this effect will be significantly magnified by the release of the Panel's findings, conclusions, and recommendations. In many cases the Panel's existence and presence have already had the important effect of stimulating Governments and others into focusing on what each of them can do to improve the implementation and enforcement of sanctions, and to curtail existing violations.

183. It is also clear however, that unless the Security Council and the international community remain engaged in this effort, there is a very real risk that when the focus has been turned off UNITA and its partners will go back to doing business as usual. The fear that UNITA will then be able to rearm and equip itself, as in the past, is a very often expressed fear and concern of persons encountered by the Panel.

184. The Panel fully shares these fears and concerns, but also the hope that the Council will now seize this opportunity to demonstrate that international sanctions can be made to work effectively, that Member States and others will be held accountable to the international community for their actions, and that the Council means what it says when it passes resolutions and takes action in support of peace. The message would be heard not just in Angola, but in many other current and potential areas of conflict as well. The long suffering people of Angola need and deserve the support of the international community in the search to bring peace and political reconciliation to that country. The Panel urges the international community to provide that support, and we express our appreciation for the opportunity that was afforded us, individually and collectively, to contribute towards achieving this objective.

Harare, Zimbabwe -- 27 February 2000

Col. O.T. Tiroyamodimo
Vice-Chairman

Anders Möllander
Chairman

Stanlake J.T.M. Samkange
Rapporteur

Gilbert Barthe
Expert

Jinping Cheng
Expert

Melvin Hoff
Expert

Oleg Ivanov
Expert

Bennie Lombard
Expert

Signed Electronically
Hannes McKay
Expert

Signed Electronically
Olivier Vallée
Expert

Annex II

Relevant provisions of Security Council resolutions 864 (1993), 1127 (1997) and 1173 (1998)

A. Resolution 864 (1993) of 15 September 1993

The Security Council,

...

Acting under Chapter VII of the Charter of the United Nations, ...

...

19. Decides further, with a view to prohibiting all sale or supply to the National Union of arms and related matériel and military assistance, as well as petroleum and petroleum products, that all States that prevent the sale or supply, by their nationals or from their territories or using their flag vessels or aircraft, of arms and related matériel of all types, including weapons and ammunition, military vehicles and equipment for the aforementioned, as well as of petroleum and petroleum products, whether or not originating in their territory, to the territory of Angola other than through named points of entry on a list to be supplied by the Government of Angola to the Secretary-General, who shall promptly notify the Members of the United Nations;

20. Calls upon all States, and all international organizations, to act strictly in accordance with the provisions of the present resolution, notwithstanding the existence of any rights or obligations conferred or imposed by an international agreement or any contract entered into or any licence or permit granted prior to the date of adoption of the present resolution;

21. Calls upon States to bring proceedings against persons and entities violating the measures imposed by the present resolution and to impose appropriate penalties;

22. Decides to establish, in accordance with rule 28 of its provisional rules of procedure, a committee of the Security Council consisting of all the members of the Council to undertake the following tasks and to report on its work to the Council with its observations and recommendations:

(a) To examine the reports submitted pursuant to paragraph 24 below;

(b) To seek from all States further information regarding the action taken by them with a view to effectively implementing the measures imposed by paragraph 19 above;

(c) To consider information brought to its attention by States concerning violations of the measures imposed by paragraph 19 and to recommend appropriate measures in response thereto;

(d) To make periodic reports to the Council on information submitted to it regarding alleged violations of the measures imposed by paragraph 19, identifying where possible persons or entities, including vessels, reported to be engaged in such violations;

(e) To promulgate guidelines that may be necessary to facilitate the implementation of the measures imposed by paragraph 19;

23. Calls upon all States to cooperate fully with the committee established by paragraph 11 above in the fulfilment of its tasks, including supplying such information as may be sought by the committee in pursuance of the present resolution;

...

26. Expresses its readiness to consider the imposition of further measures under the Charter of the United Nations, including, inter alia, trade measures against the National Union for the Total Independence of Angola and restrictions on the travel of its personnel unless by 1 November 1993 the Secretary-General has reported that an effective ceasefire has been established and that agreement has been reached on the full implementation of the Peace Accords for Angola and relevant Security Council resolutions;

...

B. Resolution 1127 (1997) of 28 August 1997

The Security Council,

...

Acting under Chapter VII of the Charter of the United Nations,

4. Decides that all States shall take the necessary measures:

(a) To prevent the entry into or transit through their territories of all senior officials of UNITA and of adult members of their immediate families, as designated in accordance with paragraph 11 (a) below, except those officials necessary for the full functioning of the Government of Unity and National Reconciliation, the National Assembly, or the Joint Commission, provided that nothing in this paragraph shall oblige a State to refuse entry into its territory to its own nationals;

(b) To suspend or cancel all travel documents, visas or residence permits issued to senior UNITA officials and adult members of their immediate families, as designated in accordance with paragraph 11 (a) below, with the exceptions referred to in subparagraph (a) above;

(c) To require the immediate and complete closure of all UNITA offices in their territories;

(d) With a view to prohibiting flights of aircraft by or for UNITA, the supply of any aircraft or aircraft components to UNITA and the insurance, engineering and servicing of UNITA aircraft:

(i) To deny permission to any aircraft to take off from, land in, or overfly their territories if it has taken off from or is destined to land at a place in the territory of Angola other than one on a list supplied by the Government of Angola to the Committee pursuant to resolution 864 (1993), which shall notify Member States;

(ii) To prohibit, by their nationals or from their territories or using their flag vessels or aircraft, the supply of or making available in any form, any aircraft or aircraft components to the territory of Angola other than through named points of entry on a list to be supplied by the Government of Angola to the Committee created pursuant to resolution 864 (1993), which shall notify Member States;

(iii) To prohibit, by their nationals or from their territories, the provision of engineering and maintenance servicing, the certification of airworthiness, the payment of new claims against existing insurance contracts or the provision or renewal of direct insurance with respect to any aircraft registered in Angola other than those on a list to be provided by the Government of Angola to the Committee created pursuant to resolution 864 (1993), which shall notify Member States, or with respect to any aircraft which entered the territory of Angola other than through a point of entry included in the list referred to in subparagraph (d) (i) above;

5. Further decides that the measures set out in paragraph 4 above shall not apply to cases of medical emergency or to flights of aircraft carrying food, medicine, or supplies for essential humanitarian needs, as approved in advance by the Committee created pursuant to resolution 864 (1993);

6. Urges all States and international and regional organizations to stop travel by their officials and official delegations to the central headquarters of UNITA, except for the purposes of travel to promote the peace process and humanitarian assistance;

...

9. Expresses its readiness to consider the imposition of additional measures, such as trade and financial restrictions, if UNITA does not fully comply with its obligations under the Lusaka Protocol and all relevant Security Council resolutions;

10. Calls upon all States and all international and regional organizations to act strictly in accordance with the provisions of this resolution notwithstanding the existence of any rights or obligations conferred or imposed by any international agreement or any contract entered into or any licence or permit granted prior to the date of adoption of this resolution, and also calls upon all States to comply strictly with the measures imposed in paragraphs 19, 20 and 21 of resolution 864 (1993);

11. Requests the Committee created pursuant to resolution 864 (1993):

(a) To draw up guidelines expeditiously for the implementation of paragraph 4 of this resolution, including the designation of officials and of adult members of their immediate families whose entry or transit is to be prevented and whose travel documents, visas or residence permits are to be suspended or cancelled in accordance with paragraphs 4 (a) and (b) above;

(b) To give favourable consideration to, and decide upon, requests for the exceptions set out in paragraph 5 above;

(c) To report to the Council by 15 November 1997 regarding the actions taken by States to implement the measures set out in paragraph 4 above;

12. Requests Member States having information on flights prohibited in paragraph 4 (d) above to provide this information to the committee created pursuant to resolution 864 (1993) for distribution to Member States;

13. Requests also Member States to provide to the Committee created pursuant to resolution 864 (1993) information on the measures they have adopted to implement the provisions of paragraph 4 above no later than 1 November 1997;

...

C. Resolution 1173 (1998) of 12 June 1998

The Security Council,

...

Acting under Chapter VII of the Charter of the United Nations,

11. Decides that all States, except Angola, in which there are funds and financial resources, including any funds derived or generated from property of UNITA as an organization or of senior officials of UNITA or adult members of their immediate families designated pursuant to paragraph 11 of resolution 1127 (1997), shall require all persons and entities within their own territories holding such funds and financial resources to freeze them and ensure that they are not made available directly or indirectly to or for the benefit of UNITA as an organization or of senior officials of UNITA or adult members of their immediate families designated pursuant to paragraph 11 of resolution 1127 (1997);

12. Decides also that all States shall take the necessary measures:

(a) To prevent all official contacts with the UNITA leadership in areas of Angola to which State administration has not been extended, except for those by representatives of the GURN, of the United Nations and of the Observer States to the Lusaka Protocol;

(b) To prohibit the direct or indirect import from Angola to their territory of all diamonds that are not controlled through the Certificate of Origin regime of the GURN;

(c) To prohibit, upon notification by the Chairman of the Committee created pursuant to resolution 864 (1993) to all Member States of guidelines approved by that Committee, the sale or supply to persons or entities in areas of Angola to which State administration has not been extended, by their nationals or from their territory, or using their flag vessels or aircraft, of equipment used in mining or mining services;

(d) To prohibit, upon notification by the Chairman of the Committee created pursuant to resolution 864 (1993) to all Member States of guidelines approved by that Committee, the sale or supply to persons or entities in areas of Angola to which State administration has not been extended, by their nationals or from their territory, or using their flag vessels or aircraft, of motorized vehicles or watercraft or spare parts for such vehicles, or ground or waterborne transportation services;

13. Decides further that the Committee created pursuant to resolution 864 (1993) may authorize, on a case-by-case basis, upon a no-objection procedure, exemptions to the measures specified in paragraphs 11 and 12 above for verified medical and humanitarian purposes;

...

15. Expresses its readiness to review the measures specified in paragraphs 11 and 12 above and in paragraph 4 of resolution 1127 (1997) and terminate them, if the Secretary-General reports at any time that UNITA has fully complied with all its relevant obligations;

16. Expresses also its readiness to consider the imposition of further additional measures if UNITA does not fully comply with its obligations under the "Acordos de Paz", the Lusaka Protocol and relevant Security Council resolutions;

17. Calls upon all States and all international and regional organizations to act strictly in accordance with the provisions of this resolution notwithstanding the existence of any rights or obligations conferred or imposed by any international agreement or any contract entered into or any licence or permit granted prior to the date of adoption of this resolution;

18. Also calls upon all States to implement strictly the measures imposed in paragraphs 19, 20 and 21 of resolution 864 (1993) and paragraph 4 of resolution 1127 (1997), as well as to comply with paragraph 6 of resolution 1127 (1997);

...